Public Accounts 2014-15

Volume 1

Summary Financial Statements

Government of Saskatchewan

2014-15 Public Accounts
Volume 1 - Summary Financial Statements

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Regina, Saskatchewan
June 2015

To Her Honour
The Honourable Vaughn Solomon Schofield
Lieutenant Governor of the Province of Saskatchewan

Your Honour:

I have the honour to submit the Summary Financial Statements of the Government of the Province of Saskatchewan for the fiscal year ended March 31, 2015.

Respectfully submitted,

KEVIN DOHERTY
Minister of Finance

Regina, Saskatchewan
June 2015

The Honourable Kevin Doherty
Minister of Finance

We have the honour of presenting the Summary Financial Statements of the Government of the Province of Saskatchewan for the fiscal year ended March 31, 2015.

Respectfully submitted,

CLARE ISMAN
Deputy Minister of Finance

TERRY PATON
Provincial Comptroller

Introduction to the Public Accounts

The 2014-15 Public Accounts of the Government of Saskatchewan (the Government) are prepared in accordance with the *Financial Administration Act, 1993* and consist of two volumes. The Government is responsible for the integrity and objectivity of the information presented in these two volumes.

Volume 1

Financial Statement Discussion and Analysis provides users of the Government's Summary Financial Statements (SFS) with an overview of the Government's performance by presenting comparative financial highlights and variance analysis. The information in the financial statement discussion and analysis should be read in conjunction with the SFS.

Summary Financial Statements provide an accounting of the full nature and extent of the financial affairs and resources of the Government. This includes the financial results of the General Revenue Fund (GRF), Crown corporations, boards and other organizations controlled by the Government. A listing of all organizations controlled by the Government, collectively referred to as the government reporting entity, is provided in schedule 18 of the SFS.

Volume 2

Volume 2 contains the following unaudited financial information:

General Revenue Fund
- revenue and expense schedules and details;
- capital asset acquisitions schedule and details;

Revolving Funds
- expense details;

Supplier Summary
- listing of suppliers who received $50,000 or more for goods and services and capital assets supplied to the GRF and Revolving Funds during the fiscal year;

Other Information
- Growth and Financial Security Fund transfers and accumulated balance;
- Debt Retirement Fund accumulated balance;
- assets, liabilities and residual balances of pension plans and trust funds administered by the Government;
- remissions of taxes and fees; and
- road-use fuel tax accountability revenues and expenditures.

The Public Accounts are available on the Internet at http://www.finance.gov.sk.ca/public-accounts/.

A Compendium is also available on the Internet at http://www.finance.gov.sk.ca/public-accounts/ that contains the financial statements of various government agencies, boards, commissions, pension plans, special purpose funds and institutions, as well as Crown corporations which are accountable to Treasury Board. In addition, the financial statements of Crown corporations and wholly-owned subsidiaries that are accountable to the Crown Investments Corporation of Saskatchewan Board can be found, through links, on the Internet at http://www.cicorp.sk.ca/.

Financial Statement Discussion and Analysis

Financial Statement Discussion and Analysis

Financial Highlights

(millions of dollars)				Change from	
	Budget[1]	2015 Actual	2014 Actual	Budget	2014 Actual
Revenue	14,073	14,059	14,418	(14)	(359)
Expense	14,002	13,997	13,829	(5)	168
Surplus	71	62	589	(9)	(527)
Financial assets		9,370	10,096		(725)
Less: Pension liabilities		(7,077)	(7,085)		7
Public debt		(4,741)	(4,927)		186
Other liabilities		(3,104)	(2,700)		(404)
Net debt	(5,095)	(5,552)	(4,615)	(457)	(937)
Plus: Non-financial assets		8,626	8,085		542
Accumulated Surplus	3,541	3,074	3,469	(466)	(395)

Totals may not add due to rounding.

[1] The Budget included a Statement of Accumulated Surplus and a Statement of Change in Net Debt but not a Statement of Financial Position.

Reporting Entity

The Summary financial statements (SFS) include the financial activities of government service organizations (GSOs), government business enterprises (GBEs) and government partnerships. GBEs are self-sufficient government organizations that have the financial and operating authority to sell goods and services to individuals and organizations outside the government reporting entity as their principal activity. All other organizations, except government partnerships, are GSOs. A complete listing of the organizations included in the government reporting entity is provided in schedule 18 of the SFS.

Surplus

The 2014-15 SFS report a surplus of $62 million, a result that is $9 million lower than budget and $527 million less than reported in the previous year. The year-over-year decline is mainly attributable to lower net income reported by GBEs, specifically in the utilities and insurance sectors together with the continued growth in the cost of funding health care and education in the Province. In addition, the cost of agriculture programs, mainly for crop insurance, increased significantly over the previous year, a year in which excellent crops resulted in unusually low claims. A prior year gain on the Government's sale of its ownership interest in Information Services Corporation also contributed significantly to the year-over-year reduction in surplus.

Compared to budget, the SFS surplus is $9 million lower due to a $14 million decrease in revenue offset partially by a $5 million decrease in expense.

Net Debt

The net debt reported in the SFS for 2014-15 is $5.55 billion, an increase of $937 million over 2013-14 and $457 million over budget. The year-over-year increase in net debt is due to the net acquisition of capital assets and the impact of adjustments to the accumulated surplus: one for the first time adoption of a public sector accounting standard on liabilities for contaminated sites; and another for other comprehensive losses of GBEs mainly related to the actuarial valuation of their pension plans.

The increase over budget is due to the impact of adjustments to the accumulated surplus: one for the first time adoption of a public sector accounting standard on liabilities for contaminated sites; and another for other comprehensive losses of GBEs mainly related to the actuarial valuation of their pension plans.

Financial Highlights *(continued)*

Accumulated Surplus

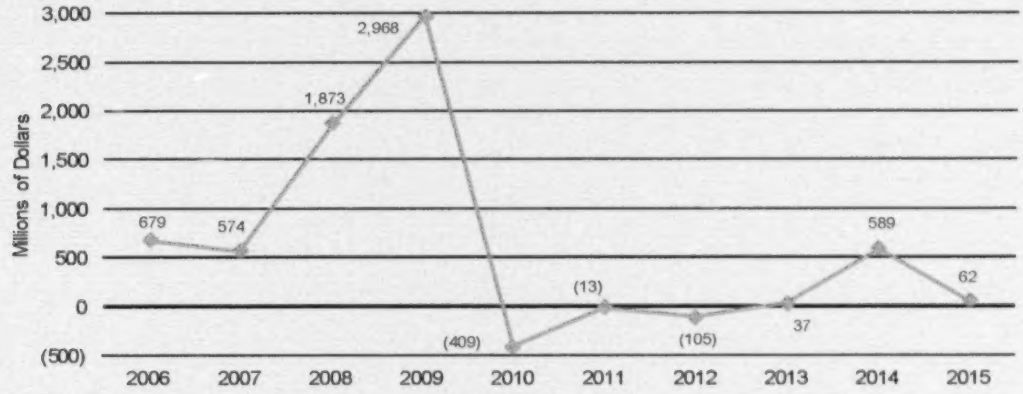
The Government has reported an accumulated surplus since 2008-09. In 2014-15, the accumulated surplus is $3.07 billion, $395 million lower than the previous year and a $466 million reduction from budget. These decreases were primarily due to: the first time adoption of a new public sector accounting standard resulting in the recognition of liabilities associated with the remediation of contaminated sites; and other comprehensive losses of government business enterprises mainly related to the actuarial valuation of their pension plans.

Credit Rating

Saskatchewan continues to maintain a strong credit rating with all three major credit rating agencies. The Province's credit rating from both Standard & Poor's at AAA and Moody's Investors Service Inc. (Moody's) at Aaa represent the highest possible ratings. With its recent upgrade from Moody's in September 2014, Saskatchewan joins the Governments of Alberta and British Columbia as the only jurisdictions in the country to hold Moody's highest credit rating. According to Moody's, the Province's strong credit rating reflects its fiscal discipline and sustained low debt levels, underscoring its prudent financial management practices.

Surplus/Deficit

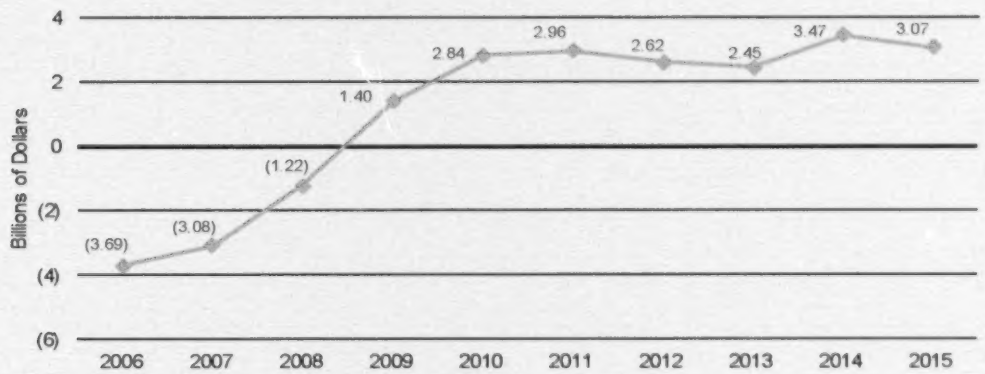
Annual Surplus (Deficit) - 10 Year Trend



Accumulated Surplus

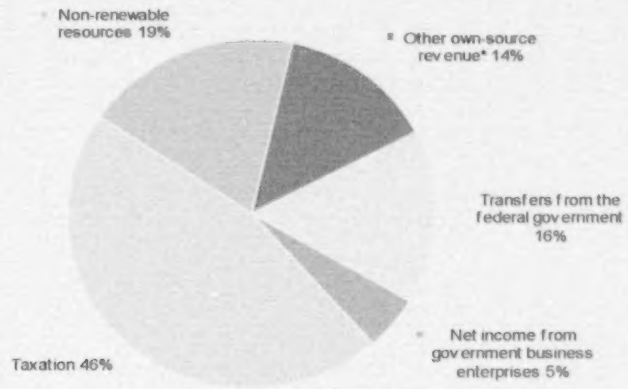
The accumulated surplus represents the Government's reported net economic resources. An accumulated surplus indicates that a government has net resources that can be used to provide future services.

Accumulated Surplus (Deficit) - 10 Year Trend



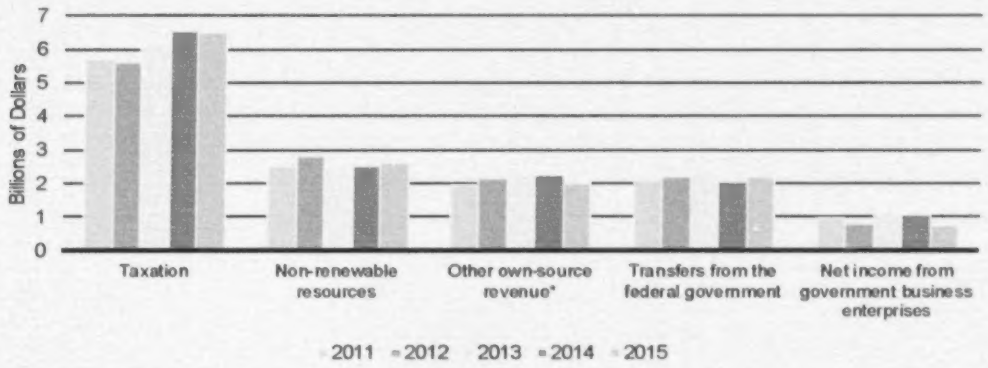
Revenue

2014-15 Revenue by Source ($14.06 billion)


Non-renewable resources 19%
Other own-source revenue* 14%
Transfers from the federal government 16%
Net income from government business enterprises 5%
Taxation 46%

* In 2014-15, key components of "other own-source revenue" include fees (8%), insurance (2%), investment income (1%) and transfers from other governments (1%).

Revenue by Source - 5 Year Comparison

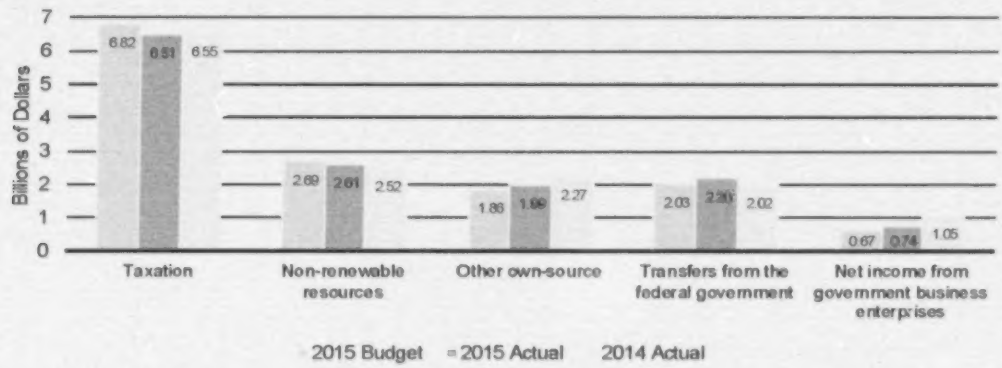


* In 2014-15, key components of "other own-source revenue" include fees ($1,086 million), insurance ($256 million), investment income ($137 million) and transfers from other governments ($90 million).

Revenue *(continued)*

Total revenue was $14.06 billion in 2014-15, a decrease of $14 million, or 0.1 per cent, from budget. The decrease from budget was primarily the result of lower-than-expected taxation and non-renewable resources revenue, which was partially offset by higher-than-expected transfers from the federal government, other own-source revenue and net income from government business enterprises (GBEs). Compared to 2013-14, revenue decreased $359 million, or 2.5 per cent. The decrease from the previous year is mainly due to a reduction in net income from GBEs, other own-source revenue and taxation revenue, partially offset by higher transfers from the federal government and non-renewable resources revenue.

Revenue by Source - Current Year Comparison to Budget and Prior Year



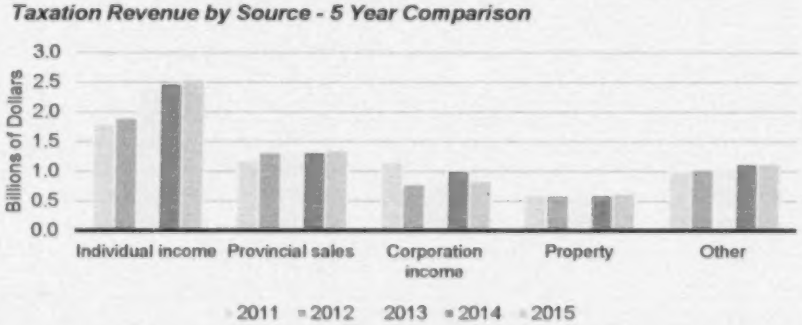
Taxation Revenue

Taxation revenue was $6.51 billion in 2014-15, a decrease of $39 million from 2013-14 and $309 million compared to budget. The $39 million decrease from prior year was due to a reduction in Corporation Income Tax and tobacco tax revenues. These declines were almost entirely offset by increases in all other taxation sources. When compared to budget, all categories of taxation were lower, with the $309 million decrease largely attributable to lower-than-expected Corporation Income Tax, Individual Income Tax, Provincial Sales Tax, property tax and tobacco tax revenue.

Individual Income Tax revenue was $2.55 billion in 2014-15, $77 million higher than in 2013-14, primarily due to growth in the taxable income base. This was partially offset by an increased cost of tax credits and a decline in the prior-year adjustment.

Provincial Sales Tax revenue was $1.36 billion in 2014-15, an increase of $32 million from the prior year, primarily due to growth in personal expenditures and population.

Taxation Revenue by Source - 5 Year Comparison



Corporation Income Tax revenue was $848 million in 2014-15, a reduction of $169 million from 2013-14. This decrease was primarily due to lower-than-expected 2013 tax revenues from resource based companies, resulting in a large negative prior-year adjustment impacting the 2014-15 fiscal year.

Property tax revenue was $625 million in 2014-15, $20 million higher than reported in the prior year. This increase was due to growth in the property tax base as a result of new construction in the Province.

Revenue (*continued*)

Other tax revenue (including fuel, tobacco and other miscellaneous taxes) was a combined $1 million higher than the prior year. Insurance premiums tax, fuel tax and Corporation Capital Tax revenue all experienced growth that was almost entirely offset by a decrease in tobacco tax revenue.

Non-Renewable Resources Revenue

Non-renewable resources revenue is one of the Government's most volatile revenue sources because it is influenced by external factors, particularly changes in market demand and commodity prices.

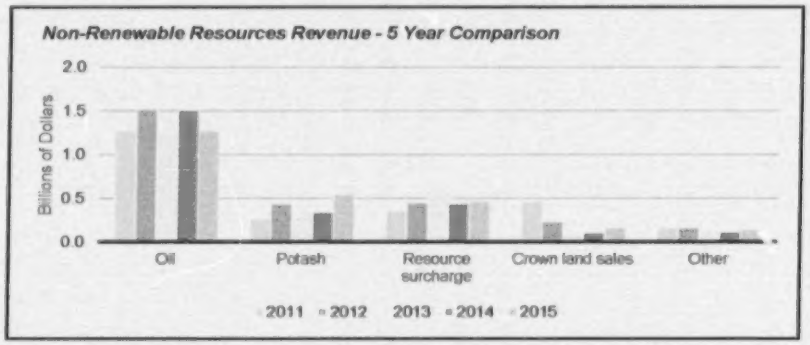
In 2014-15, non-renewable resources revenue was $2.61 billion, an increase of $94 million over 2013-14 and a decrease of $80 million compared to budget. Revenue derived from oil was significantly lower than in 2013-14. This decrease was more than offset by increases experienced in all other non-renewable resource revenues, particularly potash. Similarly, the decrease from budget was mainly attributable to lower-than-expected oil and uranium royalty revenues which were partially offset by higher-than-expected revenue for all other non-renewable resources.

Oil revenue was $1.28 billion in 2014-15. This is a decrease of $235 million over 2013-14, primarily due to lower West Texas Intermediate (WTI) oil prices, partially offset by lower average exchange rate and a lower light-heavy blend differential.

WTI oil prices averaged 80.48 U.S. dollars per barrel in 2014-15, a decrease of 18.56 U.S. dollars per barrel over the 2013-14 WTI average oil price of 99.04 U.S. dollars per barrel.

The average exchange rate fell from 94.97 U.S. cents in 2013-14 to 88.05 U.S. cents in 2014-15.

The light-heavy blend differential averaged 14.00 U.S. dollars per barrel in 2014-15. In 2013-14, the light-heavy blend differential averaged 19.81 U.S. dollars per barrel.



The above mentioned factors resulted in a lower average Canadian dollar well-head price, falling from $81.37 in 2013-14 to $70.22 in 2014-15 in Saskatchewan.

Potash revenue was $546 million in 2014-15, a $200 million increase over the previous year. This improvement is primarily due to increased sales volume, from 9.8 million K_2O tonnes in 2013-14 to 11.2 million K_2O tonnes in 2014-15, partially offset by lower realized prices. On a fiscal-year basis, the average mine netback (realized price) decreased from 324 U.S. dollars per KCl tonne in 2013-14 to 281 U.S. dollars per KCl tonne in 2014-15 (from $559 to $529 per K_2O tonne). In addition, the winding down of industry expansion projects resulted in a decrease in capital spending tax deductions and higher potash profit taxes for the Government.

Resource surcharge revenue was $475 million in 2014-15, an increase of $38 million over 2013-14. This was primarily due to a $37 million increase from the oil and gas sector despite the decline in WTI oil prices, primarily reflecting industry price-hedging strategies.

Crown land sales revenue was $165 million in 2014-15, $58 million more than reported in 2013-14, primarily due to an increase in the number of hectares sold and continued interest in southeast Saskatchewan.

Other non-renewable resources revenue (including natural gas) was $150 million, an increase of $33 million over the prior year, primarily due to uranium royalties which, even though lower-than-budgeted, were higher than the previous year.

Other Own-Source Revenue

Other own-source revenue was $1.99 billion in 2014-15, representing a $278 million decrease from the previous year and a $130 million increase over budget. A $141 million gain on the Government's sale of a 69.0 per cent ownership interest in Information Services Corporation reported in the prior year largely contributed to the $278 million year-over-year decrease. When compared to budget, higher-than-expected amounts were reported for all types of own-source revenue.

Revenue (*continued*)

Transfers from the Federal Government

Federal transfers were $2.20 billion in 2014-15, an increase of $178 million from 2013-14 and $174 million compared to budget. When compared to 2013-14, federal contributions for disaster assistance funding were significantly higher but contributions for crop insurance were lower. In addition, the Canada Health Transfer and Canada Social Transfer both grew year-over-year as a result of legislated increases. One-time transition funding for joining the national securities regulator added to the increase over prior year. The increase over budget was largely due to greater-than-expected federal funding for disaster assistance and crop insurance.

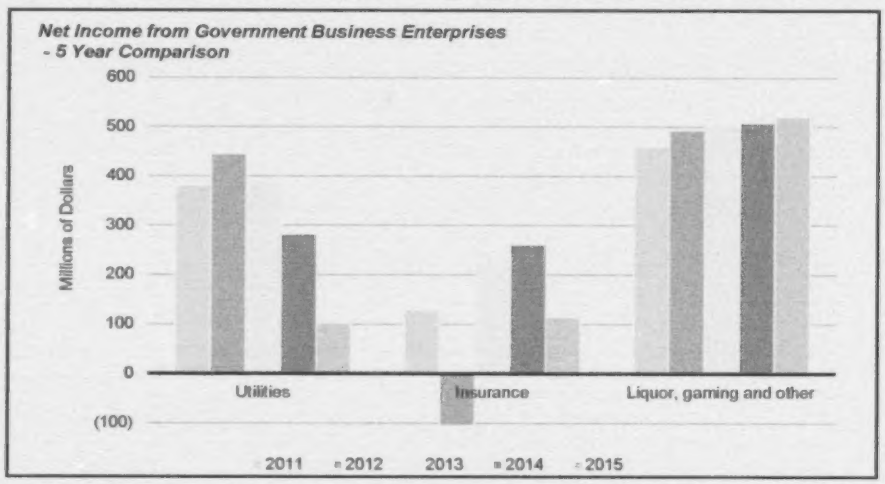
Federal disaster assistance funding increased by $107 million over the previous year, largely representing federal contributions for 2013 and 2014 flooding events.

Federal crop insurance funding declined by $61 million when compared to 2013-14. This funding is based on the premiums collected from producers which were lower than the previous year due to a decrease in insured prices along with decreased rates.

Net Income from Government Business Enterprises

Net income from government business enterprises was $738 million in 2014-15, a decrease of $314 million from 2013-14 but an increase of $70 million over budget. Compared to the prior year, the Government reported lower net income in both utilities and insurance. The $70 million improvement over budget was almost entirely due to better than expected results reported in insurance.

Utilities reported a combined net income of $102 million, a $181 million decrease over the previous year. This decrease is primarily attributed to lower overall operating results mainly due to an increase in depreciation, amortization and financing costs from investing in infrastructure to meet growing demand. Also contributing to the lower results are: gas system and supply challenges associated with severe cold weather conditions; increased maintenance expense for overhauls on power generation facilities; and rising fuel and purchased power costs. Additionally, there was a significant year-over-year unfavorable change in unrealized market value adjustments resulting from natural gas price volatility.



Insurance reported $115 million in net income for the year. This result was a $146 million decline from the previous year mainly due to a drop in investment earnings, in which negative unrealized market value adjustments exceeded an increase in realized investment income. Underwriting results were less than the previous year, as storm activity together with increased autobody repair rates and an unfavourable discount rate produced higher claim costs that more than offset an increase in premiums collected. Also contributing to the decline over the previous year, Workers' Compensation Board (Saskatchewan) approved a $79 million distribution of excess investment earnings.

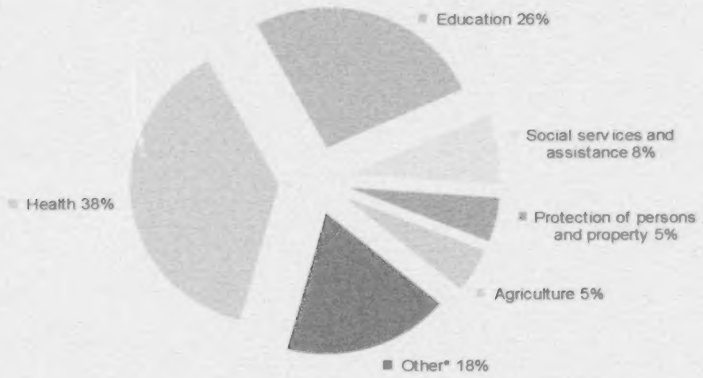
Liquor, gaming and other contributed $521 million towards the Government's bottom line, an improvement of $13 million over 2013-14 primarily due to increases in VLT and slot machine gross profits.

Expense

Expense is reported by theme in the Summary Statement of Operations. In addition to reporting expense by theme, the SFS also provide information on expense by object, or major type of expense.

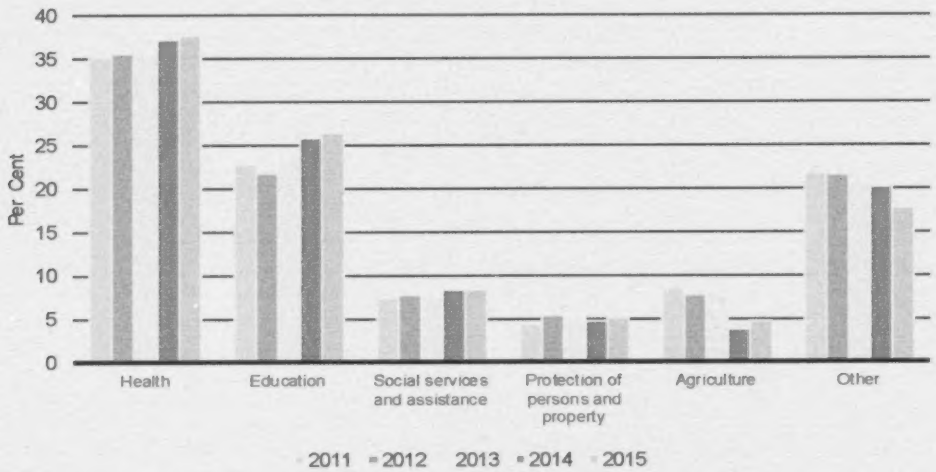
Expense by Theme

2014-15 Expense by Theme ($14.00 billion)



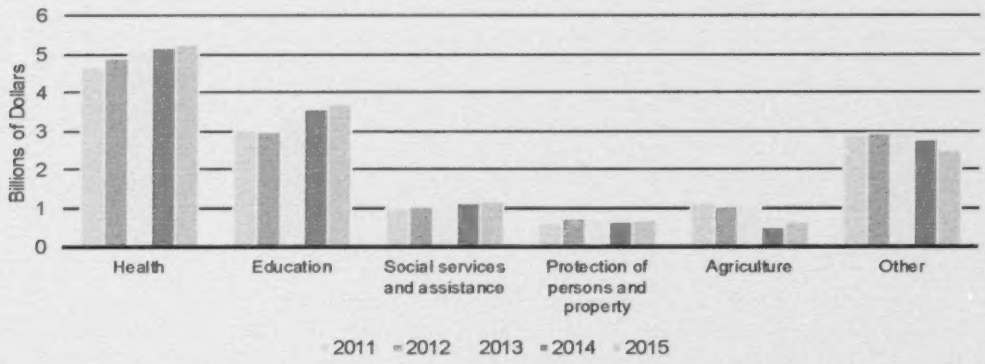
* In 2014-15, key components of "other" include community development (4%), transportation (4%), debt charges (4%) economic development (2%) and environment and natural resources (2%).

Expense by Theme as a Percentage of Total Expense - 5 Year Comparison



Expense (*continued*)

Expense by Theme - 5 Year Comparison



* In 2014-15, key components of "other" include community development ($566 million), transportation ($561 million), debt charges ($525 million), economic development ($289 million) and environment and natural resources ($213 million).

Total expense was $14.00 billion in 2014-15. This was $168 million, or 1.2 per cent, higher than reported in the prior year and $5 million, or less than 0.1 per cent, lower than budget. When compared to the prior year, most expense themes increased, with the largest increases experienced in agriculture, health and education spending. Several themes reported decreases from budget which were more than offset by other increases, the largest of which was due to increased spending for flood-related costs. Key changes in expense reported by theme are explained below.

Agriculture expense increased by $130 million, or 25.1 per cent, over the prior year and decreased $30 million, or 4.4 per cent, compared to budget. The increase over prior year is primarily due to an increase in crop insurance claims. The 2014 crop year, although producing on average yields, saw poor crop quality as a result of delayed maturity and excess moisture. This was a stark contrast to the near perfect crops produced in 2013 thus resulting in a year-over-year increase in crop insurance claims. AgriStability claims were also higher than the previous year due to the change in grain and oilseed inventory valuation which resulted in lower-than-expected margins. When compared to budget, crop insurance claims were lower than expected reflecting a stronger-than-anticipated crop year

Debt charges decreased $55 million, or 9.5 per cent, from 2013-14 and $21 million, or 3.9 per cent, from budget. Lower interest rates on refinanced debt and lower in-year borrowing requirements contributed to the reduction in debt charges.

Economic development expense experienced a $55 million, or 16.0 per cent, decrease over the previous year with no overall variance from budget. When compared to prior year, the decrease was primarily due to a lower demand for the Research and Development Tax Credit, a reduction in one-time funding for the provincial nuclear research and development strategy, a current year recovery of a provision for environmental remediation relating to the ERCO Chemical Plant and a reduction in the Ethanol Fuel Tax Rebate as the program winds down. These reductions were partially offset by higher utilization in the Graduate Retention Program. When compared to budget, expenditure restraint savings achieved for economic development programs were offset by higher-than-budgeted uptake in the Graduate Retention Program.

Education expense increased $128 million, or 3.6 per cent, over 2013-14 and $21 million, or 0.6 per cent, over budget. The increase over prior year is primarily due to an increase in teachers' salaries resulting from increased staffing requirements as well as annual increments in the newly negotiated collective bargaining agreement. There was also an increase in operating and capital funding to universities. These year-over-year increases were partially offset by lower pension costs for the Teachers' Superannuation Plan (TSP) related to lower actuarial adjustments for the current year. The increase over budget was largely due to increases in boards of education spending primarily related to a new teachers' collective bargaining agreement and other pressures resulting from enrollment growth. In addition, unbudgeted payments were made to municipalities to secure land for the Joint Use School Project. These increases over budget were partially offset by a lower-than-expected pension accrual costs for the TSP.

Expense (*continued*)

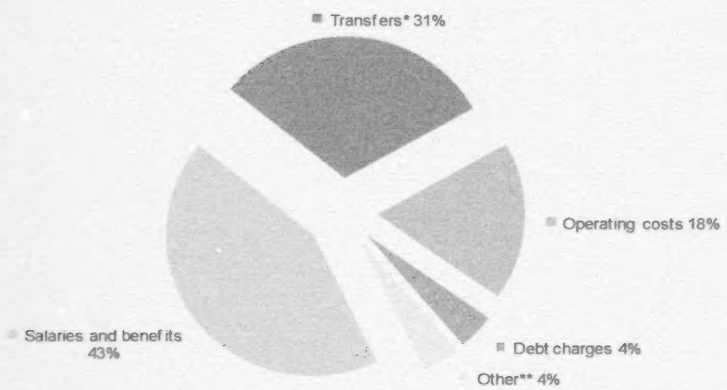
Health expense increased $130 million, or 2.5 per cent, over the prior year but decreased $79 million, or 1.5 per cent, from budget. When compared to 2013-14, the increase in health costs was primarily due to a rise in health care compensation and operating costs in regional health authorities, an increase in physician services and an increase in funding for the Saskatchewan Prescription Drug Plan, due in large to pressures that an increasing and aging population put on the health care system. These year-over-year increases were partially offset by lower pension costs for the Saskatchewan Healthcare Employees' Pension Plan (SHEPP) in which increased employee contributions and a higher return on plan assets reduced the pension accrual. When compared to budget, the Government experienced lower-than-expected costs associated with medical services and realized expenditure restraint savings over budget in regional health authorities. In addition, higher-than-budgeted investment returns on the plan assets of SHEPP resulted in savings over budgeted amounts. These savings were partially offset by higher-than-budgeted utilization costs for physician fee-for-services.

Protection of persons and property increased $49 million, or 7.4 per cent, over the prior year and $117 million, or 19.7 per cent, over budget. These increases over prior year and budget were primarily due to an increase in claims and program administration costs for the Provincial Disaster Assistance Program which had unusually high program uptake related to flooding events. In addition, there was increased utilization of courts and custody services as well as higher policing costs. Partially offsetting the year-over-year increases, the Government's sale of a 69.0 per cent ownership interest in Information Services Corporation in July of 2013 resulted in registry services costs in the prior year but not in the current year.

Social services and assistance expense saw an increase of $34 million, or 3.0 per cent, over 2013-14 and $3 million, or 0.3 per cent, over budget. The increase over prior year was primarily due to a higher caseload and increased benefits in income assistance and disability services as well as pressures in child and family services, partially offset by savings in transfers for subsidized housing as there were fewer-than-planned eligible recipients.

Expense by Object

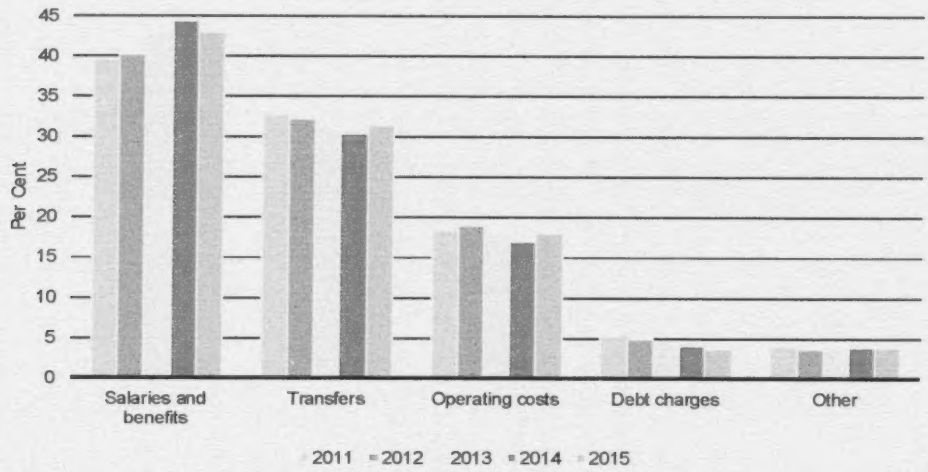
2014-15 Expense by Object ($14.00 billion)



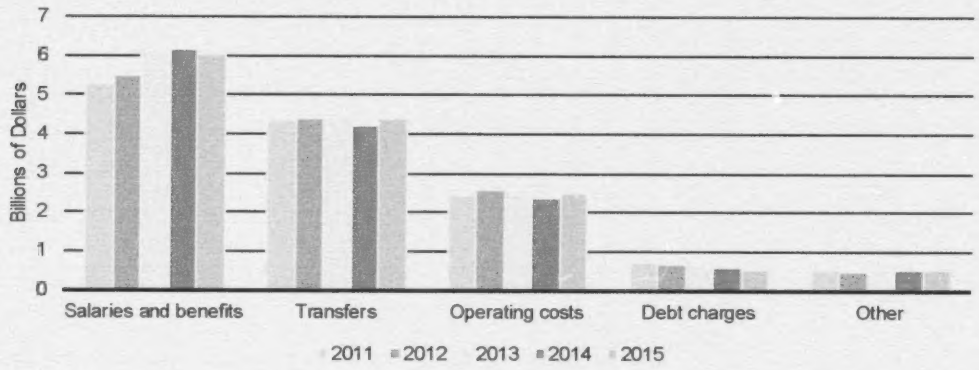
* Provided to third parties for salaries, capital and other costs.
** The key component of "other" is amortization of capital assets.

Expense (*continued*)

Expense by Object as a Percentage of Total Expense - 5 Year Comparison



Expense by Object - 5 Year Comparison



Public Debt and Debt Charges

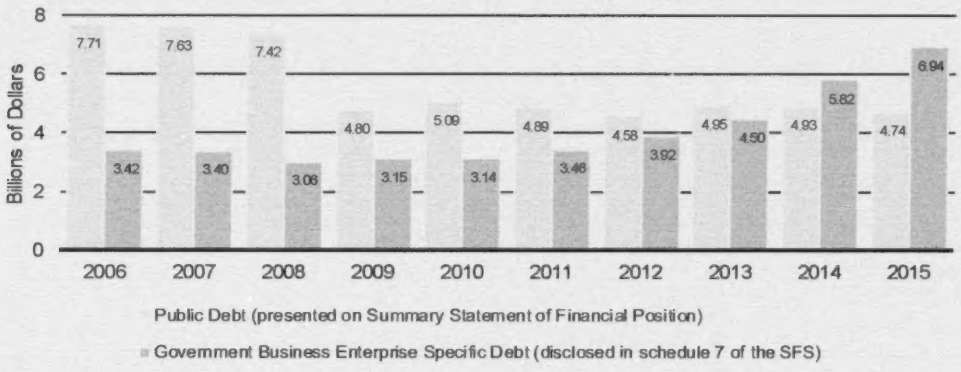
Public Debt

Public debt consists of gross debt net of sinking funds and includes:

- general debt, which is:
  - debt issued by the General Revenue Fund (GRF) and other government service organizations (GSOs); and
  - debt issued by the GRF and subsequently loaned to government business enterprises (GBEs); and
- GBE specific debt, which is debt issued by GBEs or debt issued by the GRF specifically on behalf of GBEs where the Government expects to realize the receivables from the GBEs and settle the external debt simultaneously.

Public debt on the Summary Statement of Financial Position represents general debt and does not include GBE specific debt. GBE specific debt is disclosed in schedule 7 of the SFS.

Public Debt - 10 Year Trend



At March 31, 2015, the SFS report public debt of $4.74 billion. Since 2005-06, public debt has declined $2.97 billion, from $7.71 billion to $4.74 billion.

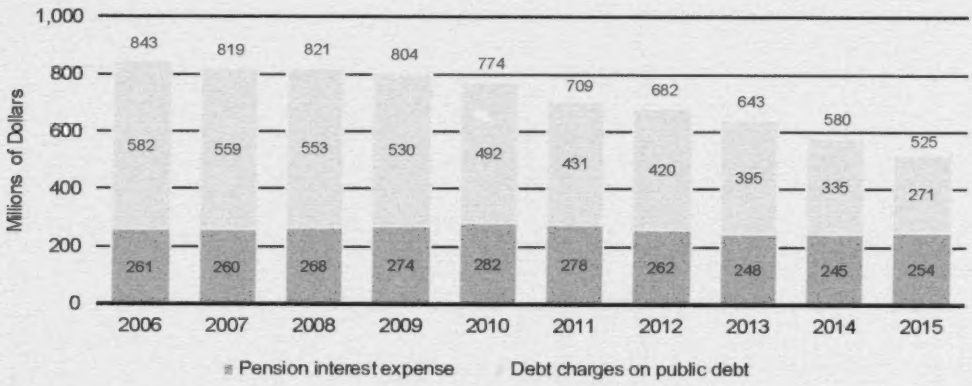
At March 31, 2015, GBEs specific debt was $6.94 billion. GBE specific debt is included in the investment in (or net assets of) GBEs reported on the Summary Statement of Financial Position and disclosed in schedule 3 of the SFS. Since 2005-06, GBE specific debt has increased from $3.42 billion to $6.94 billion. This increase has helped to finance the replacement of aging infrastructure as well as the building of new capacity to meet the demands of the recent population growth in the Province.

Public Debt and Debt Charges (*continued*)

Debt Charges

The Government incurs debt charges related to its public debt and unfunded pension liability. For public debt, debt charges are determined by the amount of general public debt and the interest rate attached to that debt. The average effective interest rate on gross debt during 2014-15 was 4.6 per cent (2013-14 - 5.2 per cent). Pension interest expense is a function of the unfunded pension liability and the actuarially determined discount rates. The average effective interest rate on the unfunded pension liability during 2014-15 was 3.1 per cent (2013-14 - 3.3 per cent).

Debt Charges - 10 Year Trend



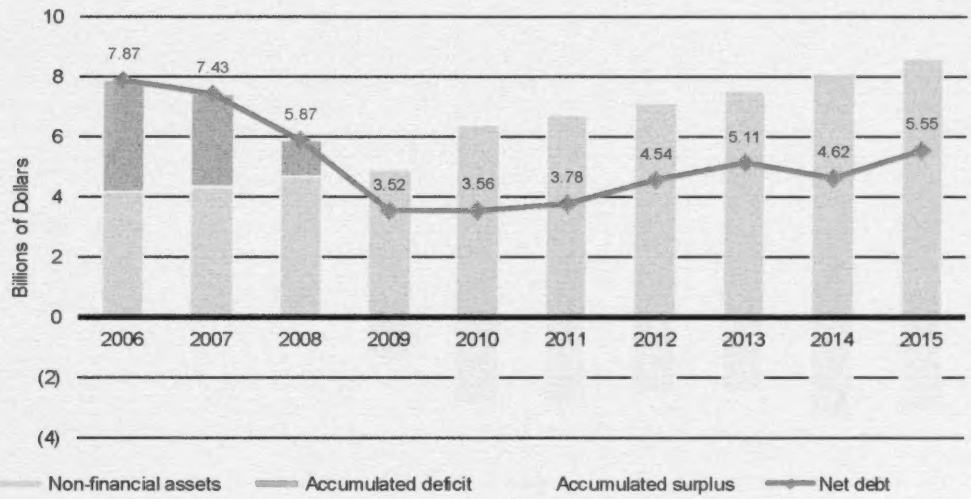
Since 2005-06, both the amount of general public debt and the level of interest rates have declined. During the same period, reductions in the actuarial discount rate led to increases in the unfunded pension liability and overall reductions in the related debt charges. As a result, the debt charges reported in the SFS have decreased from $843 million in 2005-06 to $525 million in 2014-15.

Net Debt

Net debt represents the future revenue that is required to pay for past transactions and events. It is the difference between the Government's financial assets and liabilities.

During 2014-15, net debt increased by $937 million.

Net Debt - 10 Year Trend



Since 2008-09, the SFS have reported an accumulated surplus. Accumulated surplus reduces net debt.

Net debt of the SFS is:

- net debt from the acquisition of non-financial assets, primarily representing the Government's investment in educational and health care facilities and highways; net of
- the accumulated surplus, representing the extent to which past revenues have exceeded past expenses.

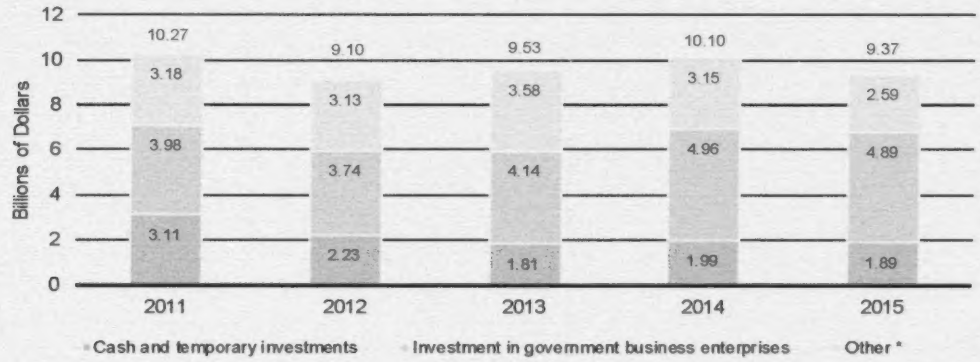
Since 2005-06, the net debt of the SFS has declined by $2.32 billion from $7.87 billion to $5.55 billion. Lower levels of net debt indicate increased flexibility in future spending.

The Government's net debt is related to its $8.63 billion investment in non-financial assets, mainly capital assets.

Financial Assets

Financial assets represent the amount of resources available to the Government that can be converted to cash to meet obligations or fund operations.

Financial Assets - 5 Year Trend

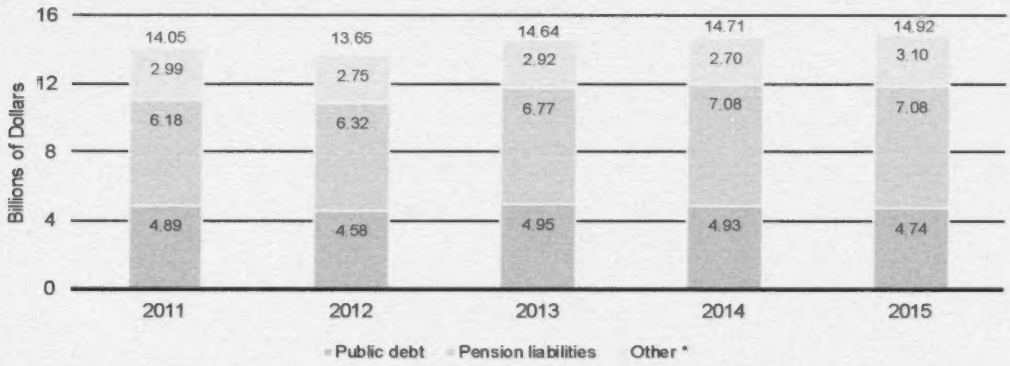


* In 2014-15, primarily accounts receivable ($1.43 billion), other investments ($0.60 billion) and loans receivable ($0.54 billion).

Liabilities

Liabilities represent the obligations the Government has to others arising from past transactions or events.

Liabilities - 5 Year Trend



* Primarily accounts payable ($2.22 billion in 2014-15). In 2014-15, includes contaminated sites liability of $312.4 million which, due to the adoption of a new public sector accounting standard, is reported for the first time without retroactive restatement.

From 2010-11 to 2014-15, liabilities increased by $869 million. This is primarily a result of a $901 million increase in pension liabilities net of a $145 million decrease in public debt. Information relating to public debt can be found in more detail in the public debt and debt charges section found on page 18.

The total pension liability has increased from $6.18 billion in 2010-11 to $7.08 billion in 2014-15. The increase is due to the amount by which pension costs, including interest on the pension liabilities and amortization of actuarial losses, exceed payments to the pension plans and retirees.

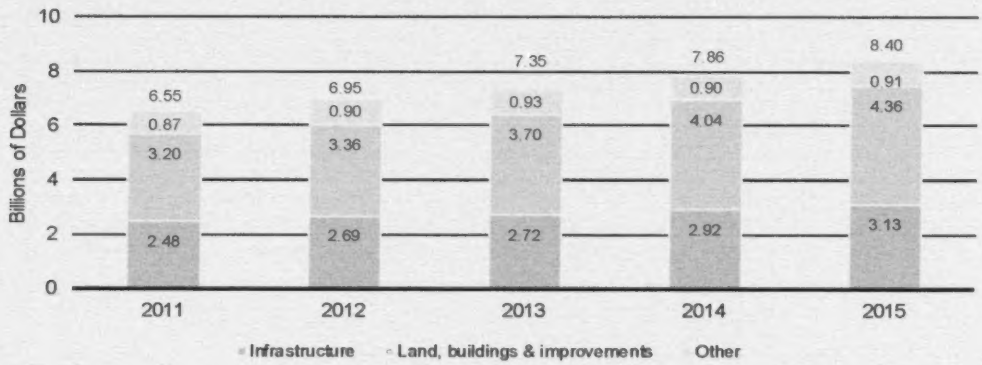
Non-financial Assets

Non-financial assets typically represent resources that the Government can use to provide services in the future. Non-financial assets primarily consist of capital assets but also include inventories held for consumption and prepaid expenses.

Capital Assets

The Statement of Financial Position reports the net book value of capital assets held by government service organizations (GSOs) and does not include the capital assets held by government business enterprises (GBEs). Capital assets held by GBEs total $12.47 billion at March 31, 2015 and are included in the investment in (or net assets of) GBEs reported on the Statement of Financial Position and disclosed in schedule 3 of the SFS. The net book value of capital assets of GSOs in the past five years is as follows:

Net Book Value of Capital Assets - 5 Year Trend



The net book value represents the original cost of capital assets net of accumulated amortization and write-downs in value. The net book value of capital assets held by the Government has steadily increased over the last five years illustrating how the Government is acquiring new or replacing existing capital assets faster than these same assets are wearing out or becoming obsolete.

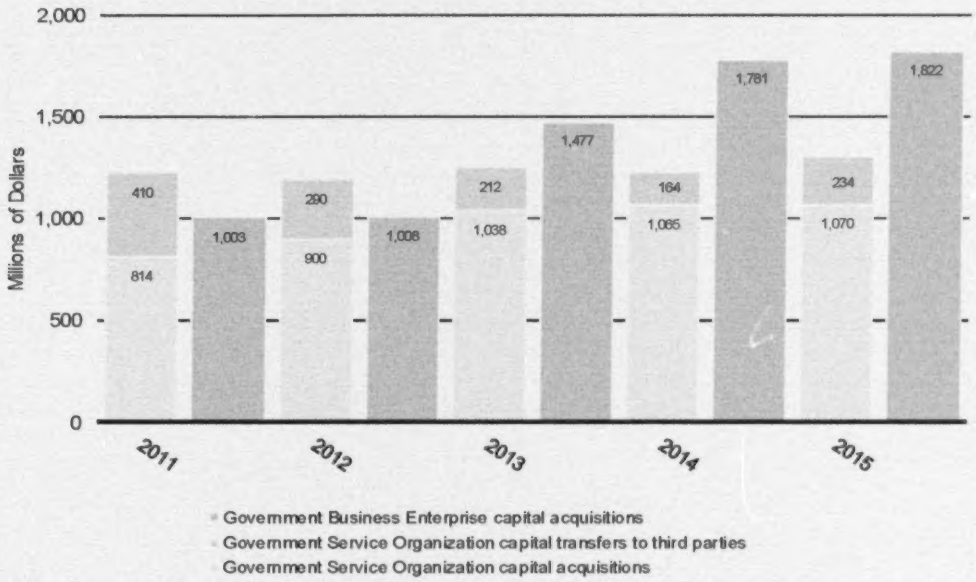
Acquisition of capital assets in 2014-15 was $1.07 billion. These capital additions were primarily in the transportation, education and health sectors mainly for infrastructure ($359 million), land, buildings and improvements ($522 million) and other ($189 million), primarily office and information technology.

Investment in Infrastructure

The Government invests in infrastructure by either:
- investing in government-owned capital; or
- providing transfers to third parties, including municipalities and universities, for capital purposes.

During 2014-15, the Government invested $3.13 billion in infrastructure: $1.82 billion for government business enterprises (GBEs) to maintain existing and build new infrastructure; $1.07 billion to meet the capital requirements of government service organizations (GSOs); and $234 million provided by GSOs to third parties for their capital purposes.

Investment in Infrastructure - 5 Year Trend



The Government's capital acquisitions totaled $2.89 billion in 2014-15, $1.82 billion acquired by GBEs and $1.07 billion acquired by GSOs. Capital assets held by GBEs are included in the investment in (or net assets of) GBEs reported on in the Summary Statement of Financial Position and disclosed in schedule 3 of the SFS.

In addition to capital acquisitions, in 2014-15, the Government provided $234 million in capital transfers to third parties.

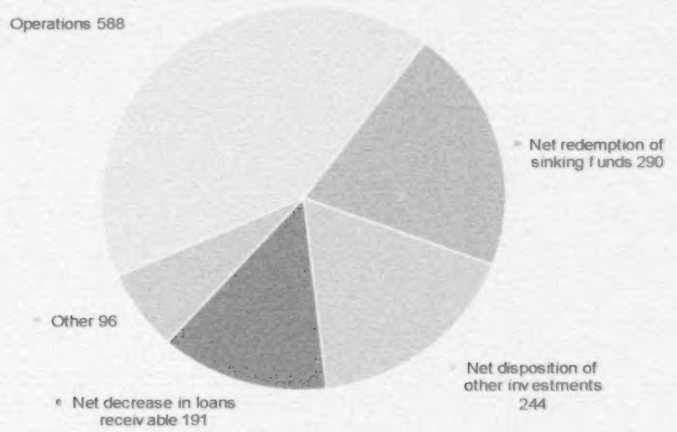
Cash Flow

The Summary Statement of Cash Flow reports on the sources and uses of cash and temporary investments during the year. During the year, the Government's overall cash position decreased by $98 million, from $1.99 billion in 2013-14 to $1.89 billion in 2014-15.

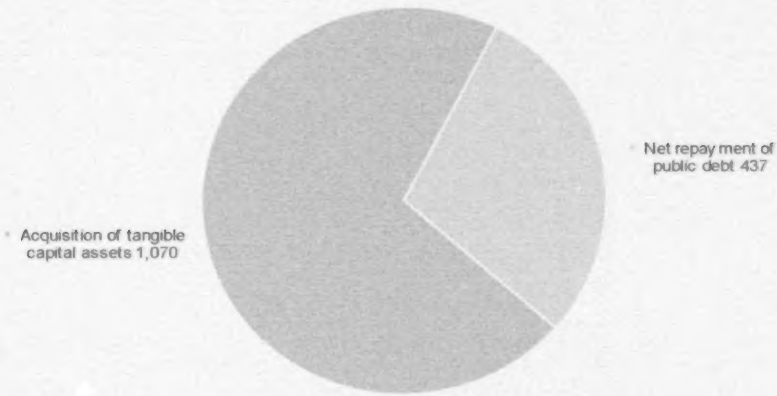
2014-15 Sources and Uses of Cash

(millions of dollars)

Sources of Cash (1,409)


Operations 588
Net redemption of sinking funds 290
Other 96
Net disposition of other investments 244
Net decrease in loans receivable 191

Uses of Cash (1,507)



The primary source of cash was operations, generating $588 million in cash. Other sources of cash include a $290 million net redemption of sinking funds, a $244 million net disposition of other investments, mainly bonds and debentures held by the Government, and a $191 million net reduction in loans receivable, primarily in loans receivable from GBEs. Cash was mainly used for a $1.07 billion investment in capital assets, representing the Government's continued commitment to invest in the Province's infrastructure, as well as in education and health care facilities. In addition, cash was also used for a $437 million net repayment of public debt.

Credit Rating

Saskatchewan continues to maintain a strong credit rating with all three major credit rating agencies. In September 2014, Moody's Investors Service Inc. upgraded Saskatchewan's credit rating from Aa1 (pos) to Aaa. The Province's credit rating from both Standard & Poor's at AAA and Moody's Investors Service Inc. (Moody's) at Aaa represent the highest possible ratings.

The credit ratings for all jurisdictions as at March 31, 2015, are shown below.

Credit Ratings - March 2015

	Rating Agency[1]		
Jurisdiction	**Moody's Investors Service Inc.**	**Standard & Poor's**	**Dominion Bond Rating Service**
Alberta	Aaa	AAA	AAA
British Columbia	Aaa (neg)	AAA	AA (high)
Saskatchewan	Aaa	AAA	AA
Manitoba	Aa1 (neg)	AA	A (high)
Ontario	Aa2 (neg)	AA- (neg)	AA (low)
Quebec	Aa2	A+	A (high)
New Brunswick	Aa2	A+	A (high)
Nova Scotia	Aa2	A+	A (high)
Newfoundland & Labrador	Aa2	A+	A
Prince Edward Island	Aa2	A	A (low)

Ratings reflect the latest credit ratings available at March 31, 2015.

[1] The rating agencies assign letter ratings to borrowers. The major A bracket categories, in descending order of credit quality, are: AAA/Aaa; AA/Aa; A. The '1', '2', '3', 'high', 'low', '-', and '+' modifiers show relative standing within the major categories. For example, AAA exceeds AA, Aa1 exceeds Aa2 and AA exceeds AA-.

Assessment of Financial Condition

Financial condition describes a government's financial health or its ability to meet its existing financial obligations, both with respect to its service commitments to the public and its financial commitments to creditors, employees and others. The following assessment of the Government's financial condition considers three elements: sustainability, flexibility and vulnerability.

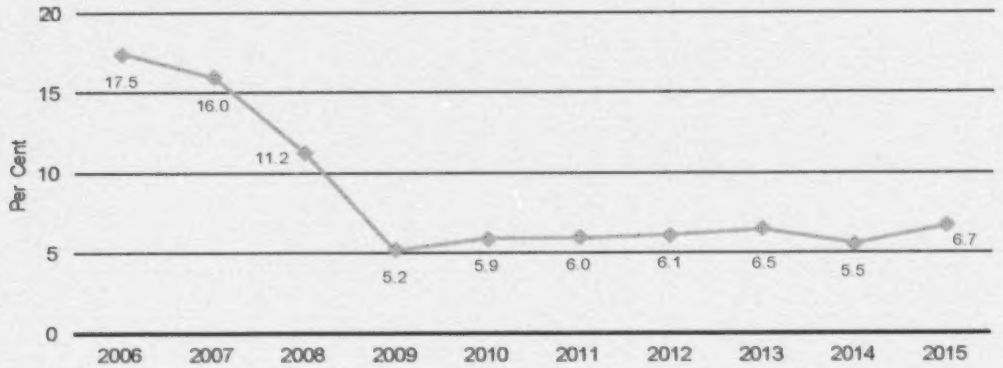
Sustainability

Sustainability is the degree to which a government can maintain its existing service commitments and meet its existing financial obligations without increasing its debt or tax burden relative to the economy within which it operates.

Net Debt to the Province's Gross Domestic Product

Gross domestic product (GDP) is a measure of the value of the goods and services produced during a year, indicating the size of the provincial economy. Net debt is the difference between a government's financial assets and liabilities and represents the future revenue that is required to pay for past transactions and events. Net debt as a percentage of the Province's GDP provides a measure of the level of financial demands placed on the economy by the Government's spending and taxation policies. A lower net debt to GDP ratio is desired and indicates higher sustainability.

Net Debt as a Percentage of the Province's Gross Domestic Product - 10 Year Comparison



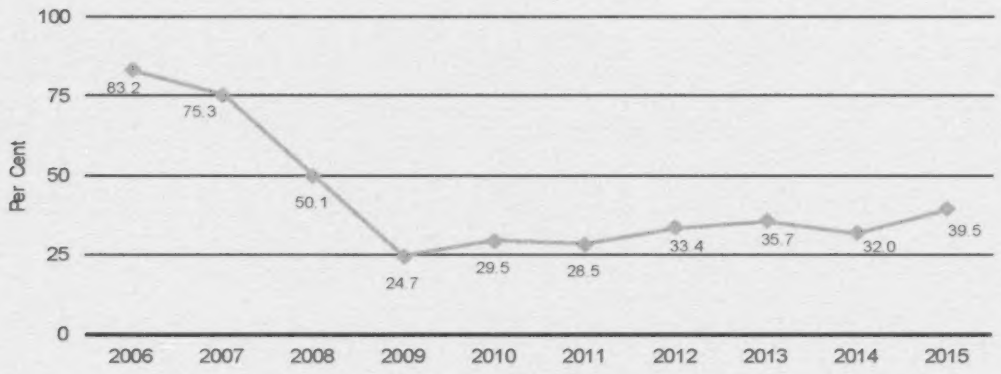
The general overall downward trend illustrated by this ratio is a result of growth in the provincial economy together with declining net debt over the ten-year period. The relatively stable ratio over the past six years indicates the Government's overall fiscal policies over the same period of time have been sustainable to the extent that the rate of economic growth in the Province matches the growth in net debt.

Assessment of Financial Condition (*continued*)

Net Debt to Total Revenue

Another measure of a government's sustainability is net debt as a percentage of total revenue. Net debt provides a measure of the future revenue that is required to pay for past transactions and events. A lower net debt to revenue ratio indicates higher sustainability, as less time is required to eliminate net debt.

Net Debt as a Percentage of Total Revenue - 10 Year Comparison

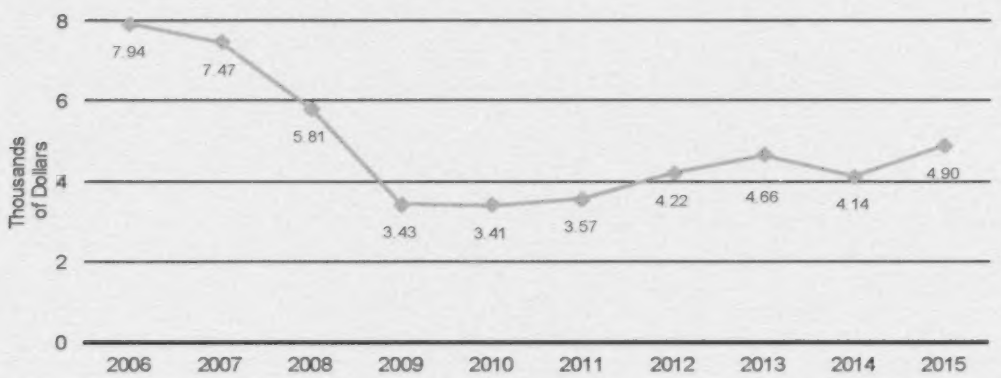


The Government's net debt as a percentage of total revenue has declined from 83.2 per cent to 39.5 per cent of total revenue since 2005-06. The overall reduction in this ratio over the past ten years indicates that the Government's revenue has been sufficient not only to pay for transactions and events, but also to pay off a portion of past deficits.

Net Debt per Capita

Net debt per capita represents the net debt attributable to each Saskatchewan resident. A decrease in this ratio indicates the debt burden per resident has improved.

Net Debt per Capita - 10 Year Comparison



Figures are based on Statistics Canada first quarter estimates representing the population at January 1 of each year.

The decrease in this ratio during the ten-year period is a result of a declining net debt together with a steady increase in the Province's population over the same period.

Assessment of Financial Condition (*continued*)

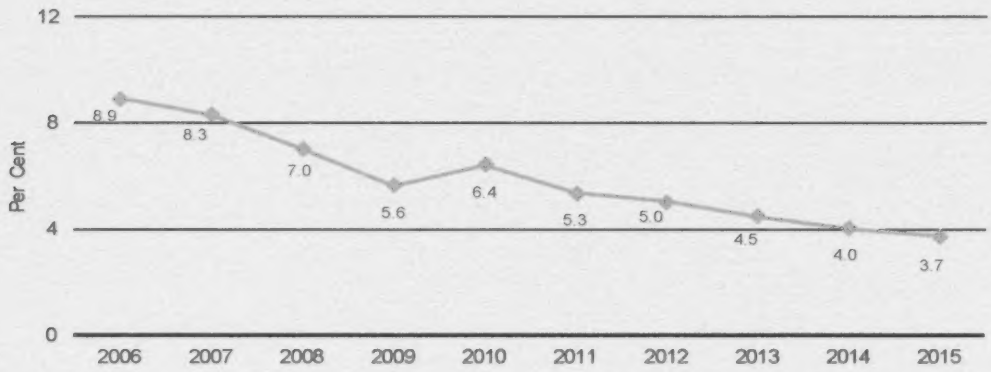
Flexibility

Flexibility is the degree to which a government can change its debt or tax burden and still meet its existing service commitments and financial obligations.

Debt Charges to Total Revenue

A debt charges to total revenue ratio, often referred to as the interest bite, indicates the proportion of provincial revenue that is required to pay interest charges on general public debt and therefore is not available to pay for essential public services and programs. A lower ratio means that there is more money available to provide government services.

Debt Charges as a Percentage of Total Revenue - 10 Year Comparison



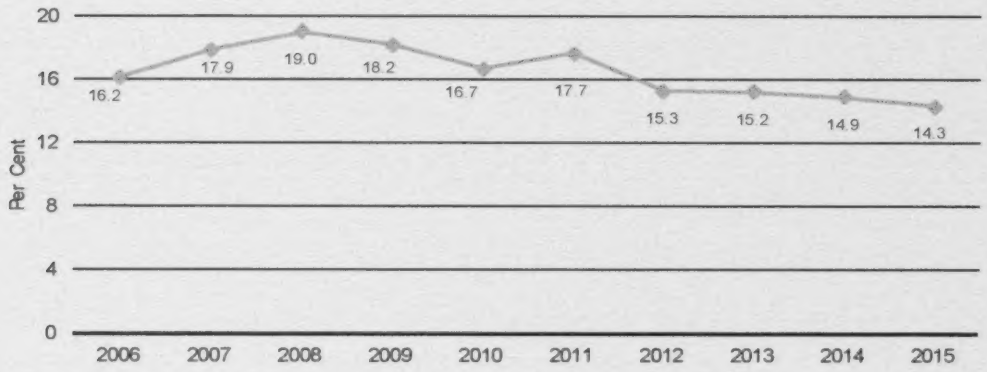
Over the last ten years, the interest bite has decreased due to both increased revenue and decreased interest costs. In 2014-15, the Government spent approximately 3.7 cents of each dollar of revenue on debt charges on general public debt, compared to 8.9 cents in 2005-06. This reduction leaves more resources available to the Government to provide services without increasing its revenue.

Assessment of Financial Condition (*continued*)

Own-source Revenue to the Province's Gross Domestic Product

This ratio measures the extent to which the Government is taking income out of the provincial economy, either through taxation, non-renewable resources revenue or user fees. An increase in this ratio indicates that the Government's own-source revenue is growing faster than the economy, reducing the Government's flexibility to increase revenue without slowing the growth of the provincial economy.

Own-source Revenue as a Percentage of the Province's Gross Domestic Product - 10 Year Comparison



Own-source revenue as a percentage of GDP has remained relatively stable over the last ten years meaning that the Government has not significantly changed its demands on the provincial economy over this time. The chart, while relatively stable, shows a decreasing trend which indicates that the Government's flexibility has improved slightly over the last ten years.

Assessment of Financial Condition (*continued*)

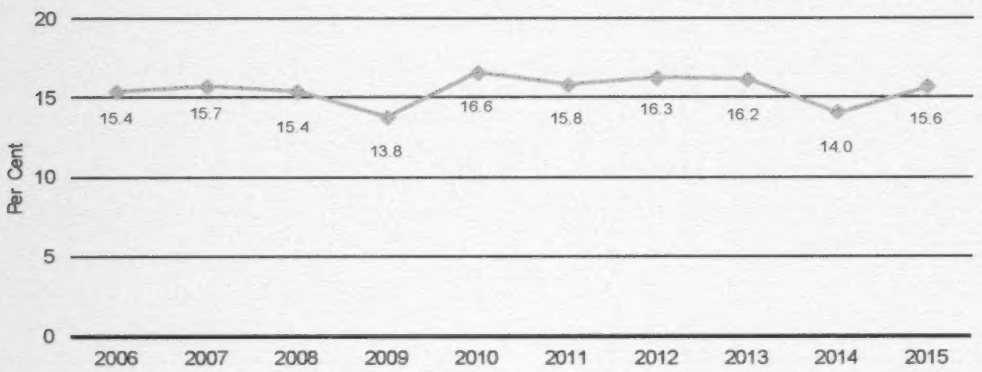
Vulnerability

Vulnerability is the degree to which a government is dependent on sources of funding outside of its control or is exposed to risks that could impair its ability to meet its existing service commitments and financial obligations.

Transfers from the Federal Government to Total Revenue

The Government has no control over the amount of federal transfers that it receives each year. Transfers from the federal government as a percentage of total revenue is therefore an indicator of the degree of vulnerability the Government has as a result of reliance on the federal government for revenue. Generally, a decreasing ratio indicates that a government is less reliant on federal transfers to fund its programs, making it less vulnerable.

Transfers from the Federal Government as a Percentage of Total Revenue - 10 Year Comparison



In 2014-15, 15.6 per cent of the Government's revenue came from transfers from the federal government with the remainder coming from Saskatchewan sources. The Government's ability to fund essential programs and services from own-source revenue has remained fairly stable over the past several years.

Foreign Currency Debt to Net Debt

The ratio of foreign currency debt to net debt is an indicator of the degree of vulnerability a government has to currency rate fluctuations. Where the Government holds debt that is issued in foreign currencies it often uses cross currency swaps, a hedging strategy, to effectively convert this debt to Canadian dollar debt. At March 31, 2015, this ratio is essentially nil due to the Government's hedging strategies together with its investment in U.S. dollar sinking fund assets. Over the last ten years, exposure to currency rate fluctuations on foreign currency debt has been minimal. Decreasing this exposure through the use of hedging activities and holding U.S. dollar sinking fund investments mitigates the risk of debt and debt servicing costs changing due to changes in foreign currency rates.

Risks and Uncertainties

The Government is subject to risks and uncertainties that arise from variables which the Government cannot directly control. These risks and uncertainties include:

- changes in economic factors such as economic growth or decline, commodity and non-renewable resource prices, inflation, interest rates, marketplace competition, population change, personal income and retail sales;
- exposure to interest rate risk, foreign exchange rate risk, credit risk and liquidity risk;
- changes in transfers from the federal government;
- utilization of government services, such as insurance, health care and social services;
- other unforeseen developments including unusual weather patterns and natural and other disasters;
- criminal or malicious attacks, both cyber and physical in nature, potentially resulting in business interruption, privacy breach and loss of, or damage to, information, facilities and equipment;
- identification and quantification of environmental liabilities;
- factors that could hinder the safe delivery of products and services;
- outcomes from litigation, arbitration and negotiations with third parties;
- changes in reported results where actual experience may differ from initial estimates as discussed in note 2 of the SFS; and
- changes in accounting standards.

Recognizing that Saskatchewan is heavily reliant on the revenue from non-renewable resources and that the Province's financial results can be influenced by other external factors, the Government takes a prudent approach in developing its budget assumptions for macroeconomic variables and non-renewable resources prices. The Government uses a number of forecasts from national forecasting agencies and banks, private industry and private sector analysts when developing the underlying assumptions for fiscal forecasts both on budget day and throughout the fiscal year.

The fiscal impact of changes in the underlying economic assumptions, including non-renewable resources prices, are estimated on a regular basis to quantify the risk associated with each forecast assumption. By understanding the size of the risk inherent in the fiscal projections, the Government is better able to make sound financial decisions.

Finally, for the Government to meet its challenges of growth and remain competitive where it operates in a competitive environment, attention is directed towards maintaining and investing in the Province's infrastructure to support the steady growth the Province has been experiencing and to allow for continued growth in the future.

Risk management specific to public debt is discussed in note 4 of the SFS.

Summary Financial Statements

Responsibility for the Summary Financial Statements

The Government is responsible for the Summary Financial Statements. The Government maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to obtain reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are maintained.

The Provincial Comptroller prepares these statements in accordance with generally accepted accounting principles for the public sector, using the Government's best estimates and judgement when appropriate. He uses information from the accounts of the General Revenue Fund, Crown corporations and other government organizations to prepare these statements.

The Provincial Auditor expresses an independent opinion on these statements. Her report, which appears on the following page, provides the scope of her audit and states her opinion.

Treasury Board approves the Summary Financial Statements. The statements are tabled in the Legislative Assembly as part of the Public Accounts and referred to the Standing Committee on Public Accounts for review.

On behalf of the Government of the Province of Saskatchewan.

KEVIN DOHERTY
Minister of Finance

CLARE ISMAN
Deputy Minister of Finance

TERRY PATON
Provincial Comptroller

Regina, Saskatchewan
June 2015

Independent Auditor's Report

To the Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Government of Saskatchewan, which comprise the Summary Statement of Financial Position as at March 31, 2015, and the Summary Statements of Operations, Accumulated Surplus, Change in Net Debt, and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

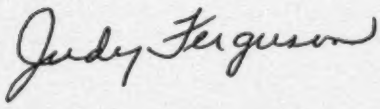
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Government of Saskatchewan as at March 31, 2015, and the results of its operations, the changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



JUDY FERGUSON, FCPA, FCA
Provincial Auditor

Regina, Saskatchewan
June 10, 2015

Summary Statement of Financial Position

As at March 31, 2015

(thousands of dollars)

	2015	2014
Financial Assets		
Cash and temporary investments (*note 3*)	1,889,675	1,987,475
Accounts receivable (*schedule 1*)	1,434,252	1,578,372
Loans receivable (*schedule 2*)	543,667	731,344
Investment in government business enterprises (*schedule 3*)	4,893,752	4,959,853
Other investments (*schedule 4*)	604,577	829,615
Other financial assets	4,373	8,939
Total Financial Assets	9,370,296	10,095,598
Liabilities		
Accounts payable and accrued liabilities (*schedule 5*)	2,224,530	2,163,595
Unearned revenue (*schedule 6*)	240,732	191,810
Public debt (*note 4*)(*schedule 7*)	4,741,184	4,926,902
Unamortized foreign exchange gain	7,984	4,513
Obligations under long-term financing arrangements (*schedule 9*)	37,308	-
Pension liabilities (*note 5*)(*schedule 10*)	7,077,077	7,084,550
Other liabilities (*schedule 11*)	593,355	339,583
Total Liabilities	14,922,170	14,710,953
Net Debt	(5,551,874)	(4,615,355)
Non-Financial Assets		
Prepaid expenses	52,401	49,163
Inventories held for consumption	176,680	172,758
Tangible capital assets (*schedule 12*)	8,397,155	7,862,717
Total Non-Financial Assets	8,626,236	8,084,638
Accumulated Surplus	3,074,362	3,469,283

Contingencies (*note 7*)

Contractual obligations (*note 8*)

The accompanying notes and schedules are an integral part of these financial statements.

Summary Statement of Operations

For the Year Ended March 31, 2015

(thousands of dollars)

	2015		2014
	Budget	**Actual**	**Actual**
Revenue			
Taxation	6,820,300	6,511,658	6,550,674
Non-renewable resources	2,694,400	2,614,478	2,520,964
Other own-source revenue	1,863,800	1,994,169	2,271,945
Transfers from the federal government	2,026,400	2,200,056	2,022,199
Net income from government business enterprises (*schedule 3*)	668,200	738,362	1,052,179
Total Revenue (*schedule 13*)	14,073,100	14,058,723	14,417,961
Expense			
Agriculture	681,200	650,942	520,489
Community development	589,000	565,543	537,799
Debt charges (*schedule 15*)	546,300	524,841	580,072
Economic development	288,600	288,537	343,555
Education	3,675,000	3,696,407	3,568,643
Environment and natural resources	232,500	212,630	231,084
Health	5,355,900	5,276,477	5,146,447
Protection of persons and property	593,700	710,541	661,630
Social services and assistance	1,172,400	1,175,780	1,142,121
Transportation	539,300	561,285	536,902
Other	327,800	333,864	560,353
Total Expense (*schedule 14*)	14,001,700	13,996,847	13,829,095
Surplus	71,400	61,876	588,866

The accompanying notes and schedules are an integral part of these financial statements.

Summary Statement of Accumulated Surplus

For the Year Ended March 31, 2015

(thousands of dollars)

	2015 Budget	2015 Actual	2014 Actual
Accumulated surplus, beginning of year	3,469,283	3,469,283	2,448,589
Adjustment to accumulated surplus (*note 10*)	-	(284,219)	(25,611)
Surplus	71,400	61,876	588,866
Other comprehensive (loss) income (*schedule 3*)	-	(172,578)	457,439
Accumulated Surplus, End of Year	3,540,683	3,074,362	3,469,283

Summary Statement of Change in Net Debt

For the Year Ended March 31, 2015

(thousands of dollars)

	2015 Budget	2015 Actual	2014 Actual
Surplus	71,400	61,876	588,866
Tangible Capital Assets			
Acquisitions (*schedule 12*)	(1,054,300)	(1,069,787)	(1,064,880)
Amortization (*schedule 12*)	503,500	514,561	501,928
Proceeds on disposal	-	31,117	57,408
Write-downs (*schedule 12*)	-	928	1,934
Net gain on disposal	-	(11,257)	(12,921)
Net Acquisition of Tangible Capital Assets	(550,800)	(534,438)	(516,531)
Other Non-Financial Assets			
Net acquisition of prepaid expenses	-	(3,238)	(1,629)
Net acquisition of inventories held for consumption	-	(3,922)	(8,523)
Net Acquisition of Other Non-Financial Assets	-	(7,160)	(10,152)
Change in net debt from operations	(479,400)	(479,722)	62,183
Adjustment to accumulated surplus (*note 10*)	-	(284,219)	(25,611)
Other comprehensive (loss) income (*schedule 3*)	-	(172,578)	457,439
(Increase) decrease in net debt	(479,400)	(936,519)	494,011
Net debt, beginning of year	(4,615,355)	(4,615,355)	(5,109,366)
Net Debt, End of Year	(5,094,755)	(5,551,874)	(4,615,355)

The accompanying notes and schedules are an integral part of these financial statements.

Summary Statement of Cash Flow

For the Year Ended March 31, 2015

(thousands of dollars)

	2015	2014
Operating Activities		
Surplus	61,876	588,866
Non-cash items included in the surplus		
Net income from government business enterprises (*schedule 3*)	(738,362)	(1,052,179)
Gain on sale of Information Services Corporation shares (*note 11*)	-	(141,243)
Other non-cash items included in the surplus (*schedule 17*)	441,469	391,749
Net change in non-cash operating activities (*schedule 17*)	208,540	260,911
Dividends received from government business enterprises (*schedule 3*)	609,684	644,869
Dividends received from other investments	4,340	5,972
Adjustment for unrealized inter-organizational gain (*schedule 3*)	-	20,474
Cash Provided by Operating Activities	587,547	719,419
Capital Activities		
Acquisition of tangible capital assets (*schedule 12*)	(1,069,787)	(1,064,880)
Proceeds on disposal of tangible capital assets	31,117	57,408
Cash Used for Capital Activities	(1,038,670)	(1,007,472)
Investing Activities		
Net decrease in loans receivable	190,980	233,770
Repayment of equity advances by government business enterprises	4,000	-
Acquisition of other investments	(433,469)	(673,358)
Disposition of other investments	677,592	816,053
Sinking fund contributions for general debt (*schedule 8*)	(48,215)	(51,601)
Sinking fund redemptions for general debt (*schedule 8*)	338,598	250,104
Impact of sale of Information Services Corporation shares (*note 11*)	-	134,523
Cash Provided by Investing Activities	729,486	709,491
Financing Activities		
Proceeds from public debt	613,710	497,712
Repayment of public debt	(1,050,305)	(676,713)
Increase in obligations under long-term financing arrangements *(schedule 9)*	37,308	-
Increase (decrease) in other liabilities	23,124	(69,923)
Cash Used for Financing Activities	(376,163)	(248,924)
(Decrease) increase in cash and temporary investments	(97,800)	172,514
Cash and temporary investments, beginning of year	1,987,475	1,814,961
Cash and Temporary Investments, End of Year	1,889,675	1,987,475

The accompanying notes and schedules are an integral part of these financial statements.

Notes to the Summary Financial Statements

As at March 31, 2015

1. Significant Accounting Policies

Basis of accounting

These Summary financial statements are prepared in accordance with Canadian public sector accounting standards.

Government reporting entity

The government reporting entity consists of government service organizations, government business enterprises and government partnerships.

Government service organizations and government business enterprises represent organizations that are controlled by the Government. Controlled organizations that are self-sufficient and have the financial and operating authority to sell goods and services to individuals and other organizations outside the government reporting entity as their principal activity are classified as government business enterprises. All other controlled organizations are government service organizations.

A government partnership exists when the Government has entered into a contractual arrangement with one or more partners outside the government reporting entity where these partners share, on an equitable basis, the significant risks and benefits associated with operating the partnership.

A listing of the organizations included in the government reporting entity is provided in schedule 18. Unless otherwise noted, the financial activities of all subsidiaries of these organizations have also been included.

Trust funds

Trust funds are administered but not controlled by the Government and, therefore, are excluded from the government reporting entity and are disclosed in note 9.

Method of consolidation

Government service organizations are consolidated after adjustment to a basis consistent with the accounting policies described in this note. Significant inter-organizational balances and transactions are eliminated. Government service organizations in which a non-controlling interest exists are proportionately consolidated.

Government business enterprises are accounted for by the modified equity method. Using this method, the Government's investment in government business enterprises, which is initially recorded at cost, is adjusted annually to include the Government's proportionate share of net earnings or losses and certain other net equity changes of government business enterprises without adjustment to conform with the accounting policies described in this note. With the exception of dividends declared by March 31 and significant unrealized inter-organizational gains and losses, inter-organizational balances and transactions are not eliminated.

Government partnerships are proportionately consolidated after adjustment to a basis consistent with the accounting policies described in this note and are disclosed in note 6. Significant inter-organizational balances and transactions are eliminated.

Financial results of government organizations with fiscal year-ends other than March 31 are adjusted for transactions occurring before March 31 that have a significant impact on these financial statements.

Specific accounting policies

Financial assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Temporary investments are recorded at the lower of cost or market.

Inventories held for resale are valued at the lower of cost and net realizable value.

Deferred charges include issue costs and net discounts or premiums incurred on the issue of debt and related derivative instruments. They are recorded at cost and amortized on a straight-line basis over the remaining life of the debt issue.

Loans receivable are initially recorded at cost. Where there has been a loss in value that is other than a temporary decline, the loan is written down to recognize the loss. Interest is recognized on the accrual basis; when collection is uncertain, it is recorded on the cash basis.

Notes to the Summary Financial Statements

1. Significant Accounting Policies *(continued)*

Other investments are accounted for by various methods as described below and are written down to market value when there is evidence of a permanent decline in value.

Equities are investments in shares of private or public companies. Investments that are subject to significant influence and the Government has less than a controlling interest are accounted for by the modified equity method. Using this method, the Government's investment, which is initially recorded at cost, is adjusted annually for the Government's share of the investees' net earnings or losses and is reduced by dividends and partnership distributions received from these investments. Investments that are not subject to significant influence are recorded at cost; dividends from these shares are recorded as income when receivable.

Pooled investment funds are recorded at market value.

All other investments are recorded at amortized cost.

Liabilities

Liabilities are present obligations to individuals and organizations outside the government reporting entity as a result of transactions and events occurring prior to year-end, which will be satisfied in the future through the transfer or use of assets or another form of economic settlement. Contingencies, including loss provisions on guaranteed debt, are recorded when it is likely that a liability exists and the amount can be reasonably estimated.

Accounts payable and accrued liabilities primarily include obligations to pay for goods and services acquired prior to year-end and to provide authorized transfers where eligibility criteria are met. Included in accrued salaries and benefits are other employee future benefits which are recognized in the period the employees provide service.

Public debt is recorded at par, and is comprised of:

- *general debt*, which is debt issued by government service organizations and includes issued amounts subsequently transferred to government business enterprises; and
- *government business enterprise specific debt*, which is debt issued by, or specifically on behalf of, government business enterprises.

On the Statement of Financial Position public debt includes only general debt. Government business enterprise specific debt is listed separately on schedule 7.

Certain debenture issues require contributions to a sinking fund. These obligations are recorded at principal less sinking fund balances where applicable. Premiums and discounts on long-term investments within these sinking funds are amortized on a constant yield basis.

Debt issues and sinking fund investments held in foreign currencies are converted to the Canadian dollar equivalent at the exchange rate in effect at March 31.

Premiums, discounts and issue costs are recorded as deferred charges.

Unamortized foreign exchange gain includes unrealized foreign exchange gains and losses resulting from the conversion of debentures due and sinking funds held in a foreign currency to the Canadian dollar equivalent at the exchange rate in effect at March 31. Unrealized foreign exchange gains and losses are amortized on a straight-line basis over the remaining life of the debt issue. Realized foreign exchange gains and losses are included in the surplus or deficit.

Obligations under long-term financing arrangements represent the Government's liability for public private partnerships and are recorded on the percentage of completion basis using the present value of future capital repayments discounted using the Government's borrowing rate for long-term debt at the time the agreement is signed.

Pension liabilities are calculated using the projected benefit method prorated on services, except as otherwise disclosed in note 5. Pension fund assets are valued at market-related values. Changes in the pension liabilities that result from estimation adjustments due to experience gains and losses and changes in actuarial assumptions are amortized on a straight-line basis over the expected average remaining service life of the related employee group. Amortization commences in the year following the determination of the adjustment. Gains or losses resulting from plan amendments are recognized in the period of the plan amendment.

Other liabilities include obligations for contaminated sites which are recorded using the Government's best estimate of the amount required to remediate sites for which the Government is either directly responsible or has accepted responsibility. The liability includes the cost of activities to bring the site to the current minimum environmental standard based on the nature of its use prior to contamination. The liabilities are reported net of any expected recoveries.

Notes to the Summary Financial Statements

1. Significant Accounting Policies *(continued)*

Non-financial assets

Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities, but instead are normally employed to deliver government services, may be consumed and are not for sale in the normal course of operations.

Inventories held for consumption are recorded at cost and are expensed as they are consumed.

Tangible capital assets are recorded at cost and include all amounts directly attributable to the acquisition, construction, development or betterment of the asset. Tangible capital assets procured through public private partnerships are valued using progress payments made during or on completion of construction and the present value of the future capital repayments discounted using the Government's estimated borrowing rate for long-term debt at the time the financing arrangement is signed. During construction, tangible capital assets are recorded on a percentage of completion basis and are classified as work-in-progress. Tangible capital assets are generally amortized on a straight-line basis over the estimated useful life of each asset.

Revenue

Revenues are recorded on the accrual basis. For corporate and individual income taxes, cash received from the federal government provides the best estimate and is used as the basis for recording the tax revenue. Government transfers are recognized as revenue in the period during which the transfer is authorized and eligibility criteria are met, except when and to the extent that the transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers meeting the definition of a liability are recognized as revenue as the liability is settled.

Expense

Expenses are recorded on the accrual basis. Government transfers are recognized as expenses in the period during which the transfer is authorized and eligibility criteria are met.

New accounting standards not yet in effect

A number of new standards and amendments to standards issued by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada are not yet effective and have not been applied in preparing these financial statements. The following standards for governments will become effective as follows:

PS 2200 Related Party Disclosures (effective April 1, 2017), a new standard defining related parties and establishing guidance on disclosure requirements for related party transactions.

PS 3210 Assets (effective April 1, 2017), a new standard providing guidance for applying the definition of assets and establishing disclosure requirements for assets.

PS 3320 Contingent Assets (effective April 1, 2017), a new standard defining and establishing guidance on disclosure requirements for contingent assets.

PS 3380 Contractual Rights (effective April 1, 2017), a new standard defining and establishing guidance on disclosure requirements for contractual rights.

PS 3430 Restructuring Transactions (effective April 1, 2018), a new standard defining a restructuring transaction and establishing guidance on recognition and measurement of assets and liabilities transferred in a restructuring transaction.

PS 3450 Financial Instruments (effective date to be determined), a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives.

PS 2601 Foreign Currency Translation (effective date to be determined), replaces PS 2600 with revised guidance on the recognition, presentation and disclosure of transactions that are denominated in a foreign currency.

PS 1201 Financial Statement Presentation (effective in the period PS 3450 and PS 2601 are adopted), replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure in government financial statements.

PS 3041 Portfolio Investments (effective in the period PS 3450, PS 2601 and PS 1201 are adopted), replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of, portfolio investments.

The Government plans to adopt these new and amended standards on the effective date and is currently analyzing the impact this will have on these financial statements.

Notes to the Summary Financial Statements

2. Measurement Uncertainty

Uncertainty in the determination of the amount at which an item is recognized or disclosed in financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

Measurement uncertainty, disclosed in aggregate for government service organizations and government business enterprises, that may be material to these financial statements exists:

- in pension obligations of $7,449.6 million (2014 - $7,312.3 million), insurance claim obligations of $3,221.0 million (2014 - $2,968.6 million), and environmental obligations including the remediation of contaminated sites of $608.0 million (2014 - $317.5 million) because actual experience may differ significantly from actuarial or historical estimations and assumptions;
- in corporate and individual income taxation revenue of $3,395.0 million (2014 - $3,487.2 million) because final tax assessments may differ from initial estimates on which cash payments are based;
- in oil and natural gas non-renewable resource revenue of $1,297.9 million (2014 - $1,530.3 million) because of price and production sensitivities in the royalty revenue structures;
- in resource surcharge non-renewable resource revenue of $474.5 million (2014 - $436.9 million) because the final valuation of resource sales may differ from initial estimates on which installments are based;
- in potash non-renewable resource revenue of $546.3 million (2014 - $346.0 million) because actual operating profits may differ from initial estimates;
- in the Canada Health Transfer and Canada Social Transfer revenue of $1,396.1 million (2014 - $1,349.2 million) because of changes in economic and demographic conditions in the Province and the country;
- in certain investments of $639.3 million (2014 - $547.3 million - restated) because these investments have no active market;
- in the Provincial Disaster Assistance Program receivable of $176.3 million (2014 - $210.4 million) because actual settlement payments may differ from initial estimates;
- in unbilled utility revenue of $135.2 million (2014 - $141.3 million) because actual usage may differ from estimated usage; and
- in agricultural income stability program obligations of $93.3 million (2014 - $122.8 million) because historical production margins may differ from actual experience.

While best estimates are used for reporting items subject to measurement uncertainty, it is reasonably possible that changes in future conditions, occurring within one fiscal year, could require a material change in the amounts recognized or disclosed.

3. Cash and Temporary Investments

Temporary investments are $789.7 million (2014 - $741.3 million) and mature in less than one year. Due to the short-term nature of these investments, market value approximates cost. Cash and temporary investments includes $157.3 million (2014 - $159.0 million) restricted as a result of agreements with external parties.

4. Risk Management of Public Debt

The Government borrows funds in both domestic and foreign capital markets by issuing Government of Saskatchewan securities. As a result, the Government is exposed to four types of risk: interest rate risk, foreign exchange rate risk, credit risk and liquidity risk.

To manage these risks, the Government maintains a preference for fixed rate Canadian dollar denominated debt. Where market conditions dictate that other forms of debt are more attractive, the Government seeks opportunities to use derivative financial instruments to reduce these risks. A derivative financial instrument is a contract, the value of which is based on the performance of an underlying financial asset, index or other investment.

Interest rate risk is the risk that the Government's debt charges will increase due to changes in interest rates. This risk is managed by issuing debt securities at predominantly fixed rates of interest rather than at floating rates of interest.

Floating rate debt is defined as the sum of floating rate debentures, short-term promissory notes, fixed rate debt maturing within one year and Saskatchewan Savings Bonds. The Government seeks opportunities to effectively convert floating rate debt into fixed rate debt through the use of interest rate swaps. The Government has interest rate swaps on a notional value of debt of $52.6 million (2014 - $69.8 million). At March 31, 2015, 82.0 per cent (2014 - 80.7 per cent) of the Government's gross debt effectively carried a rate of interest that was fixed for greater than a one-year period.

Notes to the Summary Financial Statements

4. Risk Management of Public Debt *(continued)*

Public debt includes floating rate debt of $2,398.0 million (2014 - $2,414.7 million). A one percentage point increase in interest rates would have decreased the surplus by $24.0 million.

Foreign exchange rate risk is the risk that the Government's debt charges will increase due to a decline in the value of the Canadian dollar relative to other currencies. This risk is managed by maintaining a preference for issuing debt that is denominated in Canadian dollars. Where debt has been issued in foreign currencies, the Government seeks opportunities to effectively convert it into Canadian dollar debt through the use of cross currency swaps. At March 31, 2015, 97.9 per cent (2014 - 98.0 per cent) of the Government's gross debt is effectively denominated in Canadian dollars. A one cent change in the value of the U.S. dollar compared to the Canadian dollar from the March 31, 2015 level would have an insignificant effect on debt and debt servicing costs.

The following foreign denominated items have been hedged to Canadian dollars using cross currency swaps:

- debentures of 575.0 million U.S. dollars (2014 - 575.0 million) fully hedged to $725.3 million Canadian (2014 - $725.3 million);
- debentures of 300.0 million Swiss francs (2014 - 300.0 million) fully hedged to $274.7 million Canadian (2014 - $274.7 million); and
- interest payments on debentures of 225.0 million U.S. dollars (2014 - 225.0 million) hedged to Canadian dollars at an exchange rate of 1.2172 (2014 - 1.2172).

In total, the Government has cross currency swaps on a notional value of debt of $1,548.5 million (2014 - $1,548.5 million). The effectiveness of these hedges is assessed on an ongoing basis by monitoring the credit ratings of the counterparties to the hedges.

Credit risk is the risk that a loss may occur from the failure of another party to meet its obligations. For derivative financial instrument contracts this risk is managed by dealing only with counterparties that have good credit ratings and by establishing limits on individual counterparty exposures and monitoring those exposures on a regular basis. At March 31, 2015, 100 per cent (2014 - 100 per cent) of the Government's counterparties held a Standard and Poor's credit rating of A or better.

Liquidity risk is the risk that the Government will not be able to meet its financial commitments over the short term. This risk is managed by distributing debt maturities over many years, maintaining sinking funds on long-term debt issues and maintaining adequate cash reserves and short-term borrowing programs as contingent sources of liquidity.

5. Retirement Benefits

The Government sponsors several defined benefit and defined contribution pension plans. The Government also participates in a joint defined benefit pension plan.

Defined benefit plans provide benefits based on length of service and pensionable earnings. A typical defined benefit plan provides pensions equal to 2.0 per cent of a member's average five years highest salary, multiplied by the years of service to a maximum of 35 years. Members contribute a percentage of salary, which may vary based on age, to their plan. Pensions and contribution rates are integrated with the Canada Pension Plan.

Actuarial valuations are performed at least triennially. When a valuation is not done in the current fiscal year an actuary extrapolates the most recent valuation. Valuations and extrapolations are based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. These assumptions reflect estimates of expected long-term rates and short-term forecasts. Estimates vary based on the individual plan.

The accrued benefit obligation is determined using the projected benefit method prorated on services. Pension fund assets are valued at market related values based on the actual market values averaged over a four-year period. In the periods between valuations, the actuary estimates the market related value of pension fund assets using expected long-term rates of return for the individual plans.

Joint defined benefit plans are governed by a formal agreement between the joint sponsors (i.e., employer and plan members), which establishes that the joint sponsors have shared control over the plan. Funding contributions are shared mutually between the employer and plan members. The sponsors share, on an equitable basis, the significant risks of each plan. Accordingly, the Government accounts for only its portion of the plan. Plan assets and surpluses are restricted for member benefits or certain other purposes set out in the agreement. Plan benefits are determined on the same basis as defined benefit plans.

Notes to the Summary Financial Statements

5. Retirement Benefits *(continued)*

The accrued benefit obligation is determined using the projected accrued benefit actuarial cost method. Pension fund assets are valued at market related values by averaging the difference between the net investment income on a market value basis and the expected investment income determined by the actuary, over a five-year period.

Defined contribution plans provide pensions based on accumulated contributions and investment earnings. Employees contribute a percentage of salary. The Government provides contributions at specified rates for employee current service.

Pension fund assets of government sponsored defined benefit and defined contribution plans are invested in fixed income securities, equities, real estate, pooled investment funds and short-term monetary items. The investment in Government of Saskatchewan securities is insignificant for all plans.

Government service organizations

Defined benefit plans and joint defined benefit plan

The two main defined benefit plans are the Teachers' Superannuation Plan (TSP) and the Public Service Superannuation Plan (PSSP). Other plans include Judges of the Provincial Court Superannuation Plan (Judges), Saskatchewan Transportation Company Employees Superannuation Plan, Anti-TB League Employees Superannuation Plan, and the Pension Plan for the Non-Teaching Employees of the Saskatoon School Division No.13 (PPNTE). Defined benefits are also payable to members of the former Members of the Legislative Assembly Superannuation Fund (MLA).

The Government is required to match member current service contributions for all plans except the PSSP, Judges and PPNTE. Funding contributions are required for the PPNTE. Separate pension funds are maintained for all plans except the PSSP and the MLA, for which member contributions are received and pension obligations are paid directly by the Government.

The Government also participates in the Saskatchewan Healthcare Employees' Pension Plan (SHEPP), a joint defined benefit plan for employees of the Regional Health Authorities. The Government contributes to the plan at the ratio of 1.12 to 1 of employee contributions. Any actuarially determined deficiency is the responsibility of participating employers and employees in the ratio of 1.12 to 1. The Government's participating employer contributions for the SHEPP represents approximately 90 per cent of the total employer contributions to the plan.

Information on the defined benefit plans and the joint defined benefit plan of government service organizations is as follows:

	TSP	PSSP	Others	SHEPP	2015 Total	2014 Total
Plan status	closed	closed	closed [1]	open	n/a	n/a
Member contribution rate *(percentage of salary)*	7.85	7.00-9.00 [2]	5.00-9.00 [2]	8.10-10.70	n/a	n/a
Number of active members	556	165	971	36,085	37,777	37,436
Average age of active members *(years)*	59.9	60.9	47.9	44.9	45.3	46.6
Number of former members entitled to deferred pension benefits	4,021	13	175	1,705	5,914	5,911
Number of superannuates and surviving spouses	11,488	5,483	507	14,519	31,997	31,140
Actuarial valuation date	June 30/13	Dec. 31/14	Various	Dec. 31/13	n/a	n/a
Long-term assumptions used						
Rate of compensation increase *(percentage)*	3.50	3.50	3.50	3.00	n/a	n/a
Expected rate of return on plan assets *(percentage)*	4.85	n/a	5.25-6.35	6.80	n/a	n/a
Discount rate *(percentage)*	2.50	2.40	2.00-6.35	6.80	n/a	n/a
Inflation rate *(percentage)*	2.50	2.50	2.50	2.25	n/a	n/a
Expected average remaining service life *(years)*	2.8	0.0	0.0-12.0	11.7	n/a	n/a
Post-retirement index *(percentage of annual increase in Consumer Price Index)*	80	70	0-75	Ad hoc	n/a	n/a

[1] Judges and PPNTE are open to new membership; all other plans are closed.
[2] Contribution rate varies based on age upon joining the plan.

Notes to the Summary Financial Statements

5. Retirement Benefits *(continued)*

Defined contribution plans

The two main multi-employer defined contribution plans sponsored by the Government are the Public Employees Pension Plan (PEPP) and the Capital Pension Plan (Capital). The Government provides contributions to the plans at specified rates for employee current service. The Government also contributes to the Saskatchewan Teachers' Retirement Plan (STRP) which is sponsored by the Saskatchewan Teachers' Federation, as well as the Municipal Employees' Pension Plan (MEPP) and the Regina Civic Employees' Superannuation and Benefit Plan (RCESP). The Government has fully funded its share of contributions to the defined contribution plans.

Information on the defined contribution plans of government service organizations is as follows:

	Government Sponsored					2015	2014
	PEPP	Capital	STRP [1]	MEPP [2]	RCESP [3]	Total	Total
Plan status	open	open	open	open	open	n/a	n/a
Member contribution rate *(percentage of salary)*	5.00-9.00 [4]	5.00-7.50 [4]	9.10-11.30	8.15	8.42-13.96	n/a	n/a
Government contribution rate *(percentage of salary)*	5.00-9.51 [4]	5.50-7.50 [4]	7.00-9.00	8.15	8.42-13.96	n/a	n/a
Government service organization participation							
Number of active members	16,817	648	15,241	9,921	2,106	44,733	43,304
Member contributions *(thousands of dollars)*	80,393	2,718	83,600	22,012	12,178	200,901	193,547
Government contributions *(thousands of dollars)*	84,006	3,355	85,051	22,012	12,336	206,760	189,624

[1] Teachers employed by Boards of Education after July 1, 1980 participate in the STRP, a contributory defined benefit pension plan. The Government contributes an amount which is set through provincial negotiations.

[2] Certain employees of Boards of Education and Regional Colleges participate in the MEPP, a multi-employer defined benefit plan. All costs, including costs of any actuarially determined deficiency, are equally shared by the employees and employers. At December 31, 2014, audited financial statements for the MEPP reported an accrued benefit obligation of $1,646.1 million (2013 - $1,472.0 million) and pension fund assets at market value of $1,980.1 million (2013 - $1,658.3 million).

[3] Certain employees of a Regional Health Authority and a Board of Education participate in the RCESP, a multi-employer defined benefit plan. All costs, including costs of any actuarially determined deficiency, are equally shared by the employees and employers. At December 31, 2014, audited financial statements for the RCESP reported an accrued benefit obligation of $1,297.0 million (2013 - $1,228.1 million) and pension fund assets at market value of $1,226.6 million (2013 - $1,110.2 million).

[4] Contribution rate varies based on employee group.

Pension expense

Pension expense for government service organizations is primarily allocated to education expense, health expense and other expense. Pension interest expense is included in debt charges. The total pension expense of government service organizations includes the following:

(thousands of dollars)	2015	2014
Defined benefit plans		
Current period benefit cost	25,564	34,171
Amortization of estimation adjustments	194,624	476,522
Employee contributions	(5,321)	(8,167)
Cost of financing unfunded pension obligation (pension interest expense)	254,045	244,891
Pension expense, defined benefit plans	468,912	747,417
Other plans		
Pension expense, joint defined benefit plan	28,610	35,004
Pension expense, defined contribution plans	206,760	189,624
Total Pension Expense	704,282	972,045

Notes to the Summary Financial Statements

5. Retirement Benefits *(continued)*

Government business enterprises

Defined benefit plans

There are additional employee pension plans of government business enterprises which are accounted for in the investment in government business enterprises. The two main defined benefit plans of government business enterprises are the Power Corporation Superannuation Plan (SaskPower) and the Saskatchewan Telecommunications Pension Plan (SaskTel). Other plans include the Saskatchewan Government Insurance Superannuation Plan, the Liquor Board Superannuation Plan, and the Pension Plan for the Employees of the Saskatchewan Workers' Compensation Board (WCB).

The Government contributes the amount necessary to fund the payment of pension benefits.

Information on the defined benefit plans of government business enterprises is as follows:

	SaskPower	SaskTel	Others	2015 Total	2014 Total
Plan status	closed	closed	closed	n/a	n/a
Number of active members	74	51	12	137	175
Number of former members, superannuates and surviving spouses	1,817	2,018	400	4,235	4,299
Member contributions *(thousands of dollars)*	-	-	5	5	20
Government contributions *(thousands of dollars)*	-	-	3,749	3,749	3,743
Benefits paid *(thousands of dollars)*	62,311	67,842	9,864	140,017	138,600
Actuarial valuation date	Sept. 30/14	Dec.31/13	Various	n/a	n/a
Long-term assumptions used					
Rate of compensation increase *(percentage)*	n/a	n/a	2.50-3.50	n/a	n/a
Discount rate *(percentage)*	3.75	3.80	3.40-3.80	n/a	n/a
Inflation rate *(percentage)*	2.00	2.50	2.00-2.50	n/a	n/a
Post-retirement index *(percentage of annual increase in Consumer Price Index)*	70	100	0-70	n/a	n/a

Based on the latest actuarial valuation with extrapolations to December 31, 2014, the present value of accrued pension benefits and the market value of pension fund assets are shown in the table below:

(thousands of dollars)	SaskPower	SaskTel	Others	2015 Total	2014 Total
Accrued benefit obligation	980,020	1,153,732	138,893	2,272,645	2,080,803
Fair value of plan assets	800,231	1,018,460	81,459	1,900,150	1,853,082
Pension Liabilities	179,789	135,272	57,434	372,495	227,721

Defined contribution plans

Information on the defined contribution plans of government business enterprises is as follows:

	PEPP	Capital	2015 Total	2014 Total
Plan status	open	open	n/a	n/a
Member contribution rate *(percentage of salary)* [1]	4.25-7.25	4.00-5.50	n/a	n/a
Government contribution rate *(percentage of salary)* [1]	6.00-7.25	6.00-8.00	n/a	n/a
Government business enterprise participation				
Number of active members	9,654	2,792	12,446	12,241
Government contributions *(thousands of dollars)*	51,211	9,579	60,790	57,600

[1] Contribution rate varies based on employee group.

Notes to the Summary Financial Statements

5. Retirement Benefits *(continued)*

Pension expense

Pension expense for government business enterprises are included in income from government business enterprises. The total pension expense of government business enterprises includes the following:

(thousands of dollars)	2015	2014
Pension Expense		
Defined benefit plans	12,293	23,668
Defined contribution plans	60,790	57,600
Total Pension Expense	73,083	81,268
Net loss (gain) included in Other Comprehensive Income	136,236	(387,725)

6. Government Partnerships

The Government has entered into various contractual arrangements with parties outside the government reporting entity resulting in shared control of certain organizations.

The Government's holdings in government partnerships include:

- shared control of Battlefords First Nations Joint Board of Education, which operates Sakewew High School in North Battleford;
- a 33.3 per cent interest in Foragen Technologies Limited Partnership, a venture capital fund which provides seed capital to technology corporations;
- shared control of Prairie Diagnostic Services Inc., which provides veterinary diagnostic services to veterinary and livestock industries in the Province; and
- a 45.5 per cent interest in Saskatchewan Entrepreneurial Fund Joint Venture, which assists with the development and growth of small business in the Province.

The Government's proportionate share of government partnerships is as follows:

(thousands of dollars)	2015	2014
Financial assets	6,160	7,666
Liabilities	943	1,079
Net assets	5,217	6,587
Non-financial assets	688	801
Accumulated Surplus	5,905	7,388
Revenue	5,961	4,777
Expense	5,778	4,441
Surplus	183	336
Accumulated partnership losses, beginning of year	(3,173)	(3,509)
Accumulated partnership losses, end of year	(2,990)	(3,173)
Equity advances from government organizations	8,895	10,561
Accumulated Surplus	5,905	7,388

7. Contingencies

Guaranteed debt

The Government has guaranteed the debt of others of $18.0 million (2014 - $15.6 million).

Guarantees include $17.1 million (2014 - $14.7 million) provided to lenders who make loans to breeder and feeder production associations under *The Farm Financial Stability Act*. In 2013-14, these guarantees were net of a recorded loss provision of $0.5 million.

Notes to the Summary Financial Statements

7. Contingencies *(continued)*

Lawsuits

The Government is involved in various legal actions, the outcome of which is not determinable. Up to $373.4 million may be paid depending on the outcome of lawsuits in progress. The lawsuits in progress include aboriginal land claims, claims for damages to persons and property and disputes of taxes and funding.

8. Contractual Obligations

The Government has the following contractual obligations:

(thousands of dollars)							2015	2014
	2016	2017	2018	2019	2020	Thereafter	Total	Total (Restated)
Government Service Organizations								
Policing transfer agreement	173,274	177,633	181,744	174,444	178,753	2,504,200	3,390,048	3,544,045
Construction and acquisition of tangible capital assets[1]	410,171	29,589	7,869	7,042	6,616	172,564	633,851	626,202
Leases								
Operating	68,806	62,064	54,005	39,537	24,971	57,233	306,616	284,311
Capital[2]	12,612	10,482	9,006	9,130	6,543	65,609	113,382	116,294
Housing subsidies, transfers and loans	142,716	36,867	19,347	11,456	10,928	-	221,314	217,823
Computer service agreements	88,518	33,432	14,876	3,779	2,591	3,640	146,836	187,520
Operation and maintenance payments under public private partnerships	-	1,337	1,500	1,554	1,628	74,941	80,960	-
Research and development	30,487	22,166	16,886	6,696	2,270	40	78,545	90,666
Economic growth projects	10,461	3,415	1,715	1,585	1,515	14,840	33,531	37,990
Beverage container collection and recycling programs	25,266	-	-	-	-	-	25,266	48,990
Other transfers								
Operating	218,829	64,007	16,438	-	-	-	299,274	347,855
Capital	12,892	36,211	7,289	-	-	-	56,392	109,521
Other	25,195	13,840	7,633	6,226	5,757	-	58,651	70,568
	1,219,227	491,043	338,308	261,449	241,572	2,893,067	5,444,666	5,681,785
Government Business Enterprises								
Leases								
Capital[2]	169,375	172,873	176,463	180,112	183,832	2,452,272	3,334,927	3,500,874
Operating	12,714	11,951	10,046	8,367	5,970	14,525	63,573	62,071
Power purchase agreements	32,621	35,782	63,200	92,145	104,708	2,253,180	2,581,636	-
Forward purchase contracts								
Coal	118,678	139,555	140,889	142,928	144,709	723,407	1,410,166	1,744,945
Natural gas	97,318	89,492	88,933	85,865	81,869	256,292	699,769	691,634
Other	16,943	27,553	16,054	16,315	16,581	36,178	129,624	136,916
Construction, acquisition and maintenance of capital assets	931,670	200,999	67,927	32,064	31,537	6,478	1,270,675	1,638,838
Other	151,041	123,523	3,676	3,439	3,411	24,619	309,709	417,332
	1,530,360	801,728	567,188	561,235	572,617	5,766,951	9,800,079	8,192,610
Total Contractual Obligations	2,749,587	1,292,771	905,496	822,684	814,189	8,660,018	15,244,745	13,874,395

[1] Includes contractual obligations for capital construction under public private partnerships of $198.5 million (2014 - nil), which includes $74.5 million (2014 - nil) of interest costs.

[2] These financial statements report capital lease obligations of $1,204.3 million (2014 - $1,202.2 million) including:
- $1,143.0 million (2014 - $1,143.1 million) for government business enterprises representing aggregate payments of $3,334.9 million (2014 - $3,500.9 million) (reported above) net of interest and executory costs of $2,191.9 million (2014 - $2,357.8 million); and
- $61.4 million (2014 - $59.1 million) (*schedule 11*) for government service organizations representing aggregate payments of $113.4 million (2014 - $116.3 million) (reported above) net of interest and executory costs of $52.0 million (2014 - $57.2 million).

Notes to the Summary Financial Statements

9. Trust Funds

Trust fund assets held and administered by the Government are as follows:

(thousands of dollars)	2015	2014
Pension plans	13,490,693	12,332,065
Employee benefit plans	478,855	421,241
Public Guardian and Trustee of Saskatchewan	222,392	208,202
Saskatchewan Pension Annuity Fund	207,749	191,129
Other	31,291	66,847
Total Trust Fund Assets[1]	14,430,980	13,219,484

[1] Amounts are based on the latest financial statements of the funds closest to March 31, 2015, where available.

10. Adjustment to Accumulated Surplus

During 2014-15, the accumulated surplus was reduced by $284.2 million. The Government adopted PS 3260, *Liabilities for Contaminated Sites*, resulting in the recognition of liabilities for the remediation of contaminated sites. Accordingly, the government recorded an increase in other liabilities of $266.0 million and a corresponding decrease in the opening accumulated surplus. In addition, a government business enterprise changed its accounting policy for the recognition of certain revenues, which resulted in a decrease in its accounts receivable and retained earnings. Accordingly, the government recorded an $18.2 million decrease in investment in government business enterprises and a corresponding decrease in the opening accumulated surplus. The comparative figures have not been restated.

During 2013-14, the accumulated surplus was reduced by $25.6 million. Government business enterprises adopted amendments to International Financial Reporting Standards resulting in a decrease in investment in government business enterprises of $7.2 million and a corresponding decrease in the opening accumulated surplus. Additionally, government business enterprises recorded prior period adjustments resulting in an $18.4 million decrease in investment in government business enterprises and a corresponding decrease in opening accumulated surplus.

11. Information Services Corporation of Saskatchewan

During 2013-14, the Government sold its controlling interest in a government service organization, Information Services Corporation (ISC), realizing a gain on sale of $141.2 million. The Government's remaining interest in ISC is recorded in other investments.

12. Comparative Figures

Certain 2014 comparative figures have been reclassified to conform with the current year's presentation.

Accounts Receivable

Schedule 1

As at March 31, 2015

(thousands of dollars)

	2015	2014
Taxation	422,773	433,199
Non-renewable resources	202,863	352,193
Other own-source revenue	559,785	521,252
Transfers from the federal government	360,156	383,287
	1,545,577	1,689,931
Provision for loss	(111,325)	(111,559)
Total Accounts Receivable	1,434,252	1,578,372

Loans Receivable

Schedule 2

As at March 31, 2015

(thousands of dollars)

	2015	2014
Government business enterprises	352,386	578,213
Student loans	146,136	143,447
Affordable housing loans	87,949	54,438
Other	24,635	25,988
	611,106	802,086
Provision for loss	(67,439)	(70,742)
Total Loans Receivable	543,667	731,344

Government Business Enterprises

Loans to government business enterprises are presented net of government business enterprise specific debt of $6.9 billion (2014 - $5.7 billion).

SaskEnergy Incorporated (SaskEnergy)

The Government has $120.0 million (2014 - $183.0 million) in loans receivable from SaskEnergy. The entire balance (2014 - $120.0 million) is repayable over terms not exceeding 25 years and bears interest at rates between 4.5 and 4.8 per cent (2014 - 4.5 and 4.8 per cent). In 2014, an additional $63.0 million was repayable on demand at a floating rate of interest. The loans are recorded net of $8.9 million (2014 - $7.1 million) for SaskEnergy's equity in sinking funds administered by the Government.

Municipal Financing Corporation of Saskatchewan (MFC)

The Government has $100.0 million (2014 - $128.0 million) in loans receivable from MFC. The entire balance (2014 - $100.0 million) is repayable over terms not exceeding 30 years and bears interest at 3.9 per cent (2014 - 3.9 per cent). In 2014, an additional $28.0 million was repayable on demand at a floating rate of interest. The loans are recorded net of $1.0 million (2014 - nil) for MFC's equity in sinking funds administered by the Government.

Loans Receivable *(continued)*

Schedule 2

Saskatchewan Power Corporation (SaskPower)

The Government has $100.0 million (2014 - $100.0 million) in loans receivable from SaskPower repayable over 25 years and bearing interest at 4.8 per cent (2014 - 4.8 per cent). The loans are recorded net of $7.4 million (2014 - $5.9 million) for SaskPower's equity in sinking funds administered by the Government.

Saskatchewan Telecommunications Holding Corporation (SaskTel)

The Government has $26.0 million (2014 - $158.4 million) in loans receivable from SaskTel repayable on demand at a floating rate of interest.

Saskatchewan Water Corporation (SaskWater)

The Government has $23.7 million (2014 - $21.8 million) in loans receivable from SaskWater. The loans are repayable on demand at a floating rate of interest.

Student Loans

The program operates under the authority of *The Student Assistance and Student Aid Fund Act, 1985*. Loans are interest free until the discontinuance of full-time studies or graduation. Interest rates are prescribed by the Government and range between 2.9 and 8.7 per cent (2014 - 3.0 and 6.8 per cent). Student bursaries, study grants and other varieties of loan forgiveness are available to students who meet specific criteria.

The administration and delivery of the federal and provincial student loans programs is integrated. The Government approves applications for both provincial and federal loans. External agencies are contracted to disburse, administer and collect loans, and the federal government is responsible for collection of loans in default.

A loss provision of $59.3 million (2014 - $64.0 million) has been recorded on these loans.

Affordable Housing Loans

Headstart on a home loan program

The Government holds $82.4 million (2014 - $47.3 million) in loans receivable from various builders and developers that are used to construct entry level housing units. The loans are repayable at terms not exceeding 24 months and bear interest at 4.0 per cent (2014 - 4.0 per cent). A loss provision of $3.7 million (2014 - nil) has been recorded on these loans.

Other housing loans

The Government holds $5.5 million (2014 - $7.1 million) in loans receivable under various housing programs. These loans are repayable at terms not exceeding 11 years and bear interest at rates between 2.2 and 5.8 per cent (2014 - 2.2 and 7.2 per cent). A loss provision of $0.6 million (2014 - $0.8 million) has been recorded on these loans.

Other

The Government's loan portfolio also consists of numerous other loans at various interest rates and maturities. Security on the loans varies and may include promissory notes, mortgages on real property, security agreements or guarantees. A loss provision of $3.8 million (2014 - $5.9 million) has been recorded on these loans.

Investment in Government Business Enterprises

As at March 31, 2015

(thousands of dollars)

	SaskEnergy	SaskPower	SaskTel	SaskWater	SGI
Assets					
Cash and cash equivalents	5,098	(1,685)	8,948	11,747	18,680
Accounts receivable	147,951	316,614	116,932	29,215	217,789
Inventories	152,156	217,636	15,796	439	-
Prepaid expenses	-	13,044	21,512	203	86,102
Investments	-	41,750	2,394	-	820,181
Capital assets	1,912,258	8,548,480	1,511,599	257,790	29,813
Intangible assets	49,283	73,081	269,302	-	-
Sinking funds (*schedule 7*)	92,487	456,605	112,572	16,989	-
Other assets	20,407	7,090	9,832	-	2,767
Total Assets[3]	2,379,640	9,672,815	2,068,887	316,383	1,175,332
Liabilities					
Accounts payable and accrued liabilities	117,549	545,234	165,397	21,913	71,890
Dividends payable to government organizations	3,350	-	-	-	10,622
Gross debt (*schedule 7*)	1,257,423	5,245,138	920,078	58,828	-
Unearned revenue	96,024	43,962	114,219	182,351	313,458
Provision for insurance claims	-	-	-	-	451,584
Other liabilities	211,596	1,661,136	156,171	2,090	23,265
Total Liabilities[3]	1,685,942	7,495,470	1,355,865	265,182	870,819
Net Assets (Debt)	693,698	2,177,345	713,022	51,201	304,513
Revenue					
Operating	1,108,153	2,168,818	1,232,690	43,853	561,723
Investment income	-	2,033	1,630	19	48,056
Total Revenue[3]	1,108,153	2,170,851	1,234,320	43,872	609,779
Expense					
Operating	1,106,165	1,826,289	1,133,678	38,456	247,415
Insurance claims	-	-	-	-	319,374
Debt charges[4]	35,030	284,959	24,235	(69)	912
Total Expense[3]	1,141,195	2,111,248	1,157,913	38,387	567,701
Income (loss) before non-recurring items	(33,042)	59,603	76,407	5,485	42,078
Non-recurring items	-	-	-	-	(989)
Net Income (Loss)	(33,042)	59,603	76,407	5,485	41,089
Retained earnings (deficit), beginning of year	673,826	1,460,926	507,257	37,037	220,282
Adjustment to retained earnings (deficit) (*note 10*)	-	-	(18,201)	-	-
Dividends to government organizations	(17,447)	-	(53,292)	-	(31,639)
Retained earnings (deficit), end of year	623,337	1,520,529	512,171	42,522	229,732
Accumulated other comprehensive income (loss), beginning of year	(890)	102,109	8,159	(3)	(5,328)
Adjustment to accumulated other comprehensive income (loss) (*note 10*)	-	-	-	-	-
Other comprehensive income (loss)	(280)	(105,286)	(57,308)	(18)	109
Accumulated other comprehensive income (loss), end of year	(1,170)	(3,177)	(49,149)	(21)	(5,219)
Equity advances from government organizations	71,531	659,993	250,000	8,700	80,000
Net Assets (Debt)	693,698	2,177,345	713,022	51,201	304,513

[1] Net assets are restricted as disclosed on page 58.

[2] Adjustments include:
- significant intervening period transactions, and
- elimination of unrealized inter-organizational gains and losses.

[3] Total assets include $812.4 million (2014 - $719.3 million) due from or invested in government organizations; total liabilities include $7,778.6 million (2014 - $6,636.4 million) in gross debt owing to government organizations and $310.4 million (2014 - $296.1 million) in accounts payable or services due from government organizations; total revenue includes $316.6 million (2014 - $282.4 million - restated) from government organizations; and total expense includes $568.1 million (2014 - $613.8 million) paid and owing to government organizations.

[4] Debt charges is reported net of sinking fund earnings. Interest in the amount of $239.6 million (2014 - $301.8 million) was paid and owing to government organizations.

Schedule 3

Auto Fund[1]	WCB[1]	SLGA	SGC	MFC	Adjustments[2]	2015 Total	2014 Total
14,316	178,494	55,865	10,343	19,780	(18,774)	302,812	291,869
221,946	23,190	69,038	257	2,926	-	1,145,858	1,118,240
3,558	-	27,357	285	-	-	417,227	457,134
32,778	536	1,234	588	-	-	155,997	147,895
1,876,453	1,870,162	-	-	226,874	-	4,837,814	4,314,304
41,916	10,969	109,013	61,521	-	(9,353)	12,474,006	11,220,516
174	26,123	27,458	-	-	-	445,421	440,794
-	-	-	-	4,286	-	683,139	551,803
-	-	-	-	-	-	40,096	54,150
2,191,141	2,109,474	289,965	72,994	253,866	(28,127)	20,502,370	18,596,705
68,635	21,898	27,896	15,733	1,229	78,900	1,136,274	997,420
-	-	94,196	4,802	-	(18,774)	94,196	106,038
-	-	120,000	3,246	240,162	-	7,844,875	6,708,507
391,346	-	-	-	-	(41,705)	1,099,655	934,709
1,513,037	1,151,909	-	-	-	-	3,116,530	2,890,877
-	201,934	54,105	6,791	-	-	2,317,088	1,999,301
1,973,018	1,375,741	296,197	30,572	241,391	18,421	15,608,618	13,636,852
218,123	733,733	(6,232)	42,422	12,475	(46,548)	4,893,752	4,959,853
910,882	291,158	1,101,163	128,028	-	(4,578)	7,541,890	7,102,888
151,104	159,473	-	-	9,669	-	371,984	407,109
1,061,986	450,631	1,101,163	128,028	9,669	(4,578)	7,913,874	7,509,997
174,062	86,764	605,358	102,000	49	1,877	5,322,113	4,744,518
834,155	264,683	-	-	-	-	1,418,212	1,330,341
-	-	1,145	1,126	7,960	-	355,298	385,763
1,008,217	351,447	606,503	103,126	8,009	1,877	7,095,623	6,460,622
53,769	99,184	494,660	24,902	1,660	(6,455)	818,251	1,049,375
-	-	-	-	-	(78,900)	(79,889)	2,804
53,769	99,184	494,660	24,902	1,660	(85,355)	738,362	1,052,179
164,354	638,621	(1,831)	37,442	10,815	38,800	3,787,529	3,054,267
-	-	-	-	-	-	(18,201)	325,952
-	-	(487,384)	(19,922)	-	-	(609,684)	(644,869)
218,123	737,805	5,445	42,422	12,475	(46,555)	3,898,006	3,787,529
-	(2,581)	(3,373)	-	-	-	98,093	(7,783)
-	-	-	-	-	-	-	(351,563)
-	(1,491)	(8,304)	-	-	-	(172,578)	457,439
-	(4,072)	(11,677)	-	-	-	(74,485)	98,093
-	-	-	-	-	7	1,070,231	1,074,231
218,123	733,733	(6,232)	42,422	12,475	(46,548)	4,893,752	4,959,853

Investment in Government Business Enterprises *(continued)* Schedule 3

The investment in government business enterprises is comprised of the Government's equity in the entities listed below. The financial statements of these entities are prepared in accordance with International Financial Reporting Standards.

SaskEnergy Incorporated (SaskEnergy)

SaskEnergy distributes, transports and stores natural gas in Saskatchewan while promoting its safe use as well as energy conservation.

Saskatchewan Power Corporation (SaskPower)

SaskPower supplies, transmits, distributes and sells electricity and related products and services.

Saskatchewan Telecommunications Holding Corporation (SaskTel)

SaskTel markets and supplies a range of wireless, voice, entertainment, internet, data, equipment, print and online advertising, security and consulting products and services.

Saskatchewan Water Corporation (SaskWater)

SaskWater provides reliable and professional water and wastewater services to Saskatchewan communities as well as to industrial and commercial customers.

Saskatchewan Government Insurance (SGI) and Saskatchewan Auto Fund (Auto Fund)

SGI's fully competitive general insurance business, SGI CANADA, offers a comprehensive line of property and casualty insurance products such as home, farm, business and automobile extension in four Canadian provinces.

The Auto Fund, administered by SGI on behalf of the Government, is the Province's compulsory vehicle insurance program which operates the driver's licensing and vehicle registration system. Any net assets of the Auto Fund are held on behalf of Saskatchewan's motoring public and cannot be used for any other purpose.

Workers' Compensation Board (Saskatchewan) (WCB)

WCB provides workers' compensation programs and services to Saskatchewan workers and employers. Any net assets of the WCB cannot be used for any other purpose.

Liquor and Gaming Authority (SLGA)

SLGA's mandate is to promote economic growth through the socially responsible distribution, management, operation and regulation of liquor and gaming across the Province.

To fulfill its mandate, SLGA operates retail liquor stores and regulates all liquor-permitted premises in the Province. It also directly manages the majority of the Provinces's electronic gaming machines, including video lottery terminals and slot machines at Saskatchewan Indian Gaming Authority casinos.

Saskatchewan Gaming Corporation (SGC)

SGC owns and operates Casino Regina and Casino Moose Jaw.

Municipal Financing Corporation of Saskatchewan (MFC)

MFC assists municipalities in financing their capital requirements.

Other Investments

Schedule 4

As at March 31, 2015

(thousands of dollars)

	2015	2014
Bonds and debentures	342,186	587,776
Pooled investment funds	142,400	121,846
Equities	37,269	35,826
Other	82,722	84,167
Total Other Investments[1]	604,577	829,615

[1] Includes $14.8 million (2014 - $8.4 million) restricted as a result of agreements with external parties.

Bonds and Debentures

Bonds and debentures held by the Government have a market value of $349.6 million (2014 - $589.7 million), and include securities of:

	2015	2014
Corporations (coupon interest range 1.8% to 8.9%; maturing in 1.0 to 27.4 years)	179,452	262,192
Governments of other provinces (coupon interest range nil to 5.7%; maturing in 1.5 to 28.9 years)	123,247	190,364
Government of Canada (coupon interest range 0.5% to 5.0%; maturing in 1.5 to 26.4 years)	26,144	103,955
Government of Saskatchewan (coupon interest range 4.5% to 5.8%; maturing in 1.4 to 14.2 years)	2,821	2,823
Other (coupon interest range 3.6% to 5.0%; maturing in 2.5 to 26.5 years)	10,522	28,442
Total Bonds and Debentures	342,186	587,776

Pooled Investment Funds

Pooled investment funds represent the Government's investment in units of various funds consisting primarily of debt and equities.

Equities

Equities include $3.7 million (2014 - $5.8 million) invested in shares of private companies and $33.6 million (2014 - $30.0 million) invested in Canadian and international equity markets for which the quoted market value is $94.9 million (2014 - $107.4 million - restated).

Publicly traded equities include the Government's $26.5 million (2014 - $25.1 million) investment in Information Services Corporation (ISC), which is subject to significant influence. ISC is contracted by the Government to operate the provincial land titles, personal property registry, survey, mapping and geographic information systems. During 2013-14, the Government sold its controlling interest in ISC retaining a 31.0 per cent ownership interest (*note 11*).

Other

Other includes various fixed rate securities having a market value of $81.1 million (2014 - $83.4 million).

Accounts Payable and Accrued Liabilities

Schedule 5

As at March 31, 2015

(thousands of dollars)

	2015	2014
Accrued salaries and benefits[1]	730,680	718,073
Transfers		
Operating[2]	592,655	592,427
Capital	29,969	22,730
Supplier payments	386,632	420,760
Federal government repayments[3]	289,681	180,387
Accrued interest	45,395	77,449
Other	149,518	151,769
Total Accounts Payable and Accrued Liabilities	2,224,530	2,163,595

[1] Includes other employee future benefits of $313.2 million (2014 - $298.7 million).

[2] Includes transfers payable to the federal government of $159.6 million (2014 - $149.9 million - restated).

[3] Includes amounts repayable for corporation income taxes, Equalization and Canada Health and Social Transfers.

Unearned Revenue

Schedule 6

As at March 31, 2015

(thousands of dollars)

	2015	2014
Motor vehicle licensing fees	63,680	61,393
Education	54,902	50,032
Transfers from the federal government	35,000	-
Health	27,481	28,855
Crown mineral leases	26,978	22,875
Other	32,691	28,655
Total Unearned Revenue	240,732	191,810

Public Debt

Schedule 7

As at March 31, 2015

(thousands of dollars)

	2015			2014		
	General Debt[1 2 3]	Government Business Enterprise Specific Debt [2]	Public Debt	General Debt[1 2 3]	Government Business Enterprise Specific Debt [2]	Public Debt
General Revenue Fund	3,799,970	-	3,799,970	3,803,006	-	3,803,006
Less amounts held by government organizations	-	-	-	(14,453)	-	(14,453)
Saskatchewan Power Corporation[4]	92,594	4,848,728	4,941,322	94,066	4,028,032	4,122,098
SaskEnergy Incorporated[4]	111,142	1,007,305	1,118,447	175,905	865,188	1,041,093
Saskatchewan Telecommunications Holding Corporation[4]	26,000	806,988	832,988	158,400	634,308	792,708
Municipal Financing Corporation of Saskatchewan[4]	98,970	137,764	236,734	128,000	132,432	260,432
Saskatchewan Immigrant Investor Fund Inc.	198,267	-	198,267	176,423	-	176,423
Boards of Education	179,423	-	179,423	174,439	-	174,439
Liquor and Gaming Authority[4]	-	119,476	119,476	-	124,575	124,575
Regional Health Authorities	99,590	-	99,590	103,091	-	103,091
Saskatchewan Water Corporation[4]	23,680	20,905	44,585	21,842	23,866	45,708
Saskatchewan Opportunities Corporation	34,334	-	34,334	34,851	-	34,851
Water Security Agency	33,235	-	33,235	20,154	-	20,154
Saskatchewan Housing Corporation	24,722	-	24,722	28,657	-	28,657
Global Transportation Hub Authority	17,000	-	17,000	20,000	-	20,000
Saskatchewan Gaming Corporation[4]	-	2,862	2,862	-	10,362	10,362
Other	2,257	-	2,257	2,521	-	2,521
Public Debt[1 5]	4,741,184	6,944,028	11,685,212	4,926,902	5,818,763	10,745,665

[1] Public debt on the Statement of Financial Position includes only general debt.

[2] General debt and government business enterprise specific debt are presented net of sinking funds.

[3] General debt includes $106.1 million (2014 - $102.3 million - restated) secured primarily by assets with a carrying value of $113.8 million (2014 - $105.5 million).

[4] Public debt of government business enterprises includes both general debt and government business enterprise specific debt. General debt of government business enterprises represents amounts transferred from the General Revenue Fund to government business enterprises and recorded as loans receivable (*schedule 2*). Government business enterprise specific debt represents debt issued by, or specifically on behalf of, government business enterprises.

Schedule 3 provides information on government business enterprises as presented in their audited financial statements closest to March 31, 2015. Public debt of government business enterprises shown above has been adjusted for transactions occurring from the audited financial statements to March 31, 2015 as follows:

			2015	2014
	Government Business Enterprise Debt *(schedule 3)*[a]	Transactions to March 31	Public Debt	Public Debt
Saskatchewan Power Corporation	4,788,333	152,989	4,941,322	4,122,098
SaskEnergy Incorporated	1,164,936	(46,489)	1,118,447	1,041,093
Saskatchewan Telecommunications Holding Corporation	807,506	25,482	832,988	792,708
Municipal Financing Corporation of Saskatchewan	235,876	858	236,734	260,432
Liquor and Gaming Authority	120,000	(524)	119,476	124,575
Saskatchewan Water Corporation	41,839	2,746	44,585	45,708
Saskatchewan Gaming Corporation	3,246	(384)	2,862	10,362
Total Government Business Enterprises	7,161,736	134,678	7,296,414	6,396,976

[a] Includes gross debt net of sinking funds reported on schedule 3.

Public Debt *(continued)*

Schedule 7

[5] Included in public debt is U.S. dollar debt converted to negative $3.8 million Canadian (2014 - $4.6 million) at the exchange rate in effect at March 31, 2015 of 1.2683 (2014 - 1.1053).

Public debt is comprised of gross debt net of sinking funds as follows:

			2015
	Gross Debt [a]	Sinking Funds *(schedule 8)*	Public Debt
General Revenue Fund	4,661,392	(861,422)	3,799,970
Saskatchewan Power Corporation	5,423,031	(481,709)	4,941,322
SaskEnergy Incorporated	1,215,518	(97,071)	1,118,447
Saskatchewan Telecommunications Holding Corporation	951,593	(118,605)	832,988
Municipal Financing Corporation of Saskatchewan	241,000	(4,266)	236,734
Saskatchewan Immigrant Investor Fund Inc.	198,267	-	198,267
Boards of Education	179,423	-	179,423
Liquor and Gaming Authority	119,476	-	119,476
Regional Health Authorities	99,590	-	99,590
Saskatchewan Water Corporation	62,380	(17,795)	44,585
Saskatchewan Opportunities Corporation	36,684	(2,350)	34,334
Water Security Agency	33,235	-	33,235
Saskatchewan Housing Corporation	55,630	(30,908)	24,722
Global Transportation Hub Authority	17,000	-	17,000
Saskatchewan Gaming Corporation	2,862	-	2,862
Other	2,257	-	2,257
Public Debt	13,299,338	(1,614,126)	11,685,212

[a] The average effective interest rate on gross debt during 2014-15 was 4.6 per cent (2013-14 - 5.2 per cent) and includes the impact of foreign exchange and the amortization of any premiums or discounts associated with the debentures. The average term to maturity of gross debt is 13.6 years (2014 - 13.3 years).

Debt principal payment requirements in each of the next five years and thereafter are as follows:

	2015	2014
Year of Maturity		
Short-term promissory notes	1,608,865	1,303,886
2014-15	-	1,036,545
2015-16	594,656	534,481
2016-17	575,723	573,066
2017-18	409,878	293,014
2018-19	674,982	363,372
2019-20	215,812	-
6-10 years	2,570,424	2,063,335
Thereafter	6,648,998	6,311,550
Gross debt [a]	13,299,338	12,479,249
Sinking funds	(1,614,126)	(1,733,584)
Public Debt	11,685,212	10,745,665

[a] Gross debt includes Canada Pension Plan debentures of $745.1 million (2014 - $745.1 million). These debentures are callable in whole or in part before maturity, at the option of the Minister of Finance of Saskatchewan.

Sinking Funds

Schedule 8

As at March 31, 2015

(thousands of dollars)

	2014 Sinking Funds	Contributions[1]	Earnings[2]	Redemptions[3]	Currency Adjustment	2015 Sinking Funds
General Revenue Fund	1,082,904	44,128	35,969	(338,598)	37,019	861,422
Saskatchewan Power Corporation	412,871	38,501	30,337	-	-	481,709
Saskatchewan Telecommunications Holding Corporation	102,292	8,866	7,447	-	-	118,605
SaskEnergy Incorporated	87,871	9,612	5,949	(6,361)	-	97,071
Saskatchewan Housing Corporation	28,411	520	1,977	-	-	30,908
Saskatchewan Water Corporation	14,834	1,855	1,106	-	-	17,795
Municipal Financing Corporation of Saskatchewan	2,568	1,561	137	-	-	4,266
Saskatchewan Opportunities Corporation	1,833	367	150	-	-	2,350
Total Sinking Funds[4]	1,733,584	105,410	83,072	(344,959)	37,019	1,614,126

[1] Annual contributions, established by Order in Council, are set at not less than one per cent of debentures outstanding. The aggregate amount of contributions estimated to be required in each of the next five years and thereafter to meet sinking fund requirements by debt classification (see footnote 4) are as follows:

	2016	2017	2018	2019	2020	Thereafter	Total
General debt	42,376	38,179	34,943	33,343	32,298	366,327	547,466
Government business enterprise specific debt	59,170	58,572	58,020	57,256	56,881	946,471	1,236,370
Total Sinking Funds	101,546	96,751	92,963	90,599	89,179	1,312,798	1,783,836

[2] Sinking fund earnings include gains on investment sales of $55.4 million (2014 - $23.1 million).

[3] The redemption value is based on the market value of the sinking fund units at the date of redemption.

[4] The market value of total sinking funds is $1,637.9 million (2014 - $1,663.3 million). Total sinking funds by debt classification are as follows:

	2014 Sinking Funds	Contributions	Earnings	Redemptions	Currency Adjustment	2015 Sinking Funds
General debt	1,126,177	48,215	39,161	(338,598)	37,019	911,974
Government business enterprise specific debt	607,407	57,195	43,911	(6,361)	-	702,152
Total Sinking Funds	1,733,584	105,410	83,072	(344,959)	37,019	1,614,126

Sinking fund assets have been invested as follows:

	2015	2014
Long-term investments in securities of:		
Government of Saskatchewan (coupon interest range 3.2% to 6.4%; maturing in 9.2 to 30.2 years)	414,536	409,390
Governments of other provinces (coupon interest range 1.0% to 5.0%; maturing in 1.3 to 34.9 years)	398,321	786,585
Government of Canada	-	49,718
Government of the United States	-	15,990
Cash, short-term investments and accrued interest	801,269	471,901
Total Sinking Funds [a]	1,614,126	1,733,584

[a] Includes U.S. dollar cash, investments and accrued interest converted to $289.2 million Canadian (2014 - $244.1 million) at the exchange rate in effect at March 31, 2015 of 1.2683 (2014 - 1.1053).

Obligations Under Long-Term Financing Arrangements

Schedule 9

As at March 31, 2015

(thousands of dollars)

	2015	2014
Obligations under long-term financing arrangements, beginning of year	-	-
Additions	37,308	-
Obligations Under Long-Term Financing Arrangements, End of Year	37,308	-

In July 2014, the Government entered into a 32 year public private partnership with Plenary Health Swift Current Limited Partnership to design, build, finance and maintain a long-term care facility in Swift Current. Capital payments will begin when the facility is completed, which is scheduled for the spring of 2016.

Pension Liabilities

Schedule 10

As at March 31, 2015

(thousands of dollars)

	TSP[1]	PSSP	Others	2015 Total	2014 Total
Accrued benefit obligation, beginning of year	5,758,492	1,963,353	442,457	8,164,302	8,619,574
Current period benefit cost	11,713	846	13,005	25,564	34,171
Interest cost	201,296	66,447	14,840	282,583	275,243
Actuarial losses (gains)[2]	1,286,962	333,724	43,933	1,664,619	(176,573)
Joint defined benefit plan (SHEPP)[3]	-	-	(119,482)	(119,482)	(97,695)
Benefit payments	(345,571)	(131,268)	(14,007)	(490,846)	(490,418)
Accrued Benefit Obligation, End of Year	6,912,892	2,233,102	380,746	9,526,740	8,164,302
Plan assets, beginning of year	517,392	-	113,042	630,434	772,393
Employer contributions	214,152	131,124	11,627	356,903	339,655
Employee contributions	2,214	144	2,963	5,321	8,167
Return on plan assets	21,960	-	6,578	28,538	30,352
Actuarial gains (losses)	-	-	4,510	4,510	(29,715)
Benefit payments	(345,571)	(131,268)	(14,007)	(490,846)	(490,418)
Plan Assets, End of Year[4]	410,147	-	124,713	534,860	630,434
	6,502,745	2,233,102	256,033	8,991,880	7,533,868
Unamortized estimation adjustments[5]	(1,504,950)	(333,724)	(76,129)	(1,914,803)	(449,318)
Total Pension Liabilities[6]	4,997,795	1,899,378	179,904	7,077,077	7,084,550

1 The TSP had an actual rate of return on plan assets of 11.(per cent (2014 - 4.8 per cent).

2 In 2014-15, discount rates for TSP and PSSP decreased b' 1.1 per cent resulting in an increase to pension liabilities of $863.3 million and $261.6 million respectively. Additionally, TSP and PSSP adopted the nev 2014 Canadian Pensioner Mortality tables resulting in an increase to pension liabilities of $423.6 million and $84.6 million respectively.

3 The joint defined benefit plan includes only the Government's employer portion of the pension liability. At December 31, 2014, the SHEPP had a total accrued benefit obligation of $5,250.5 million (2013 - $4,694.0 million), pension fund assets at market related values of $5,018.3 million (2013 - $4,455.9 million) and unamortized estimation adjustment gains of $223.7 million (2013 - $21.8 million). The pension liability would increase by $729.8 million or would decrease by $593.3 million if the discount rate was decreased or increased by one percentage point respectively. The market value of the pension fund investments was $5,407.8 million (2013 - $4,760.1 million). The plan assets had an actual rate of return of 11.6 per cent (2013 - 15.1 per cent). The Government and member contributions to the plan totalled $148.1 million (2013 - $132.7 million) and $146.9 million (2013 - $131.6 million) respectively. Benefit payments from the plan totalled $232.2 million (2013 - $203.3 million).

4 At March 31, 2015, the market value of defined benefit plar investments was $603.9 million (2014 - $661.1 million).

5 Unamortized estimation adjustments are amortized to pension expense commencing in the year following the adjustment: 2.8 to 3.5 years for the TSP; in the year following for the PSSP; and up to 12.0 years for the other plans. These represent the expected average remaining service life of active plan members at the time the estimation adjustments arose.

6 The total pension liabilities are based on the latest actuaria valuations extrapolated to March 31, 2015 for the defined benefit plans and December 31, 2014 for the joint defined benefit plan. Changes in assumptions can result in significantly higher or lower estimates of pension liabilities. A one percentage point decrease in the discount rate would result in a $770.0 million and $294.8 million increase in the pension liabilities for the TSP and the PSSP respectively, and a one percentage point increase would result in a $631.5 million and $243.4 million decrease in the pension liabilities for the TSP and the PSSP respectively.

Other Liabilities

Schedule 11

As at March 31, 2015
(thousands of dollars)

	2015	2014
Contaminated sites[1]	312,365	81,717
Funds held on behalf of government business enterprises and others	162,039	138,974
Capital leases (*note 8*)	61,370	59,065
Other	57,581	59,827
Total Other Liabilities	593,355	339,583

[1] The adoption of a new accounting policy in 2014-15 resulted in the recognition of liabilities for the remediation of contaminated sites. Comparative figures have not been restated (*note 10*).

Contaminated Sites

Abandoned mines

The Government is responsible for remediation of certain abandoned uranium and precious and base metal mines on Crown land. For most of these abandoned mines, the companies that caused the contamination no longer exist. The contaminated sites liabilities include $218.9 million (2014 - $17.4 million) for the remediation of uranium mines, primarily the Gunnar and Lorado sites, and is net of expected recoveries of $11.2 million (2014 - nil). The Gunnar site has building debris, tailings and waste rock that contain radiation, and surface and ground water with elevated concentrations of uranium and several other elements. Lorado has radioactive tailings and 35 satellite uranium mine sites have issues including acidic water conditions and elevated radiation in exposed waste rock. The contaminated sites liabilities also include $31.9 million (2014 - nil) related to precious and base metal mines, which have several contaminants in soil, sediment and surface water from waste rock, tailings and concentrates.

Industrial operations

The Province has provided a $49.4 million (2014 - $64.3 million) indemnity for environmental liabilities predating 1986 related to the industrial operations of the ERCO Worldwide chemical plant and the Prince Albert pulp mill site. The chemical plant has excessive mercury levels in the soil throughout the site. The pulp mill site has excessive contaminants in a landfill waste area.

Other contaminated sites

The Government also has $12.2 million (2014 - nil) of other contaminated sites liabilities, mainly related to the storage of road salt and fuel.

Funds Held on Behalf of Government Business Enterprises (GBEs) and Others

Funds held on behalf of GBEs and others includes $54.4 million (2014 - $64.9 million) held on behalf of the Liquor and Gaming Authority.

Tangible Capital Assets

Schedule 12

As at March 31, 2015

(thousands of dollars)

	Land & Improvements	Buildings & Improvements	Machinery & Equipment	Transportation Equipment	Office & Information Technology	Infrastructure	2015 Total	2014 Total
Estimated useful life (in years)	*3 - indefinite*	*2-80*	*2-33*	*3-40*	*2-25*	*3-60*		
Opening Net Book Value of Tangible Capital Assets[1]	490,989	3,547,392	338,225	251,499	317,019	2,917,593	7,862,717	7,346,186
Opening cost	552,335	6,518,538	1,188,062	544,995	851,122	5,147,196	14,802,248	13,995,897
Acquisitions	75,567	446,274	63,919	26,565	98,914	358,548	1,069,787	1,064,880
Write-downs	(371)	(5,518)	(192)	(342)	(12,822)	(2)	(19,247)	(8,779)
Disposals	(7,924)	(8,777)	(17,780)	(20,507)	(35,947)	(29,684)	(120,619)	(249,750)
Closing Cost[2]	619,607	6,950,517	1,234,009	550,711	901,267	5,476,058	15,732,169	14,802,248
Opening accumulated amortization	61,346	2,971,146	849,837	293,496	534,103	2,229,603	6,939,531	6,649,711
Annual amortization	6,195	182,453	65,026	34,610	76,887	149,390	514,561	501,928
Write-downs	(304)	(4,684)	(190)	(342)	(12,799)	-	(18,319)	(6,845)
Disposals	(110)	(6,498)	(14,820)	(17,991)	(31,666)	(29,674)	(100,759)	(205,263)
Closing Accumulated Amortization	67,127	3,142,417	899,853	309,773	566,525	2,349,319	7,335,014	6,939,531
Closing Net Book Value of Tangible Capital Assets[1]	552,480	3,808,100	334,156	240,938	334,742	3,126,739	8,397,155	7,862,717

[1] Net book value of tangible capital assets does not include the following:
- works of art and historical treasures, such as the Legislative Building;
- items inherited by right of the Crown, such as Crown lands, forests, water and mineral resources, which are not recognized in these financial statements, and
- capital assets held by government business enterprises (*schedule 3*).

[2] Closing cost includes work-in-progress of $754.4 million (2014 - $786.7 million).

Revenue

Schedule 13

For the Year Ended March 31, 2015

(thousands of dollars)

	2015	2014
Taxation		
Individual income	2,546,577	2,470,056
Provincial sales	1,358,205	1,326,403
Corporation income	848,469	1,017,188
Property	624,733	605,027
Fuel	515,400	509,814
Tobacco	260,696	276,234
Other	357,578	345,952
Total Taxation	6,511,658	6,550,674
Non-Renewable Resources		
Oil	1,279,138	1,513,835
Potash	546,252	346,030
Resource surcharge	474,506	436,868
Crown land sales	164,894	106,730
Natural gas	18,780	16,455
Other	130,908	101,046
Total Non-Renewable Resources[1]	2,614,478	2,520,964
Other Own-Source Revenue		
Fees		
Health care	245,706	235,864
Motor vehicle licensing	190,431	188,428
Education	149,681	144,082
Subsidized housing rental	112,366	108,184
Real property sales and leases	76,297	77,242
Other	311,158	361,651
Insurance	256,400	320,280
Investment income	137,422	191,320
Transfers from other governments	89,577	116,992
Gain on sale of Information Services Corporation shares (*note 11*)	-	141,243
Other[2]	425,131	386,659
Total Other Own-Source Revenue	1,994,169	2,271,945
Transfers from the Federal Government		
Canada Health Transfer	998,393	960,348
Canada Social Transfer	397,679	388,877
Crop insurance	207,854	268,608
Agricultural income stability	69,492	54,077
Housing	53,693	58,419
Other	472,945	291,870
Total Transfers from the Federal Government	2,200,056	2,022,199
Net income from government business enterprises (*schedule 3*)	738,362	1,052,179
Total Revenue	14,058,723	14,417,961

[1] Includes taxes of $639.2 million (2014 - $476.0 million).

[2] Includes reversals and refunds of prior year expenses of $32.2 million (2014 - $35.0 million).

Expense by Object

For the Year Ended March 31, 2015
(thousands of dollars)

Schedule 14

	2015	2014
Salaries and benefits	6,021,055	6,154,069
Transfers		
Operating	4,169,530	4,042,794
Capital	233,729	164,135
Operating costs	2,501,432	2,345,443
Debt charges (*schedule 15*)	524,841	580,072
Amortization of tangible capital assets (*schedule 12*)	514,561	501,928
Other	31,699	40,654
Total Expense	13,996,847	13,829,095

Debt Charges

For the Year Ended March 31, 2015
(thousands of dollars)

Schedule 15

	2015	2014
Total interest costs	828,084	842,619
Interest reimbursed from government business enterprises[1]	(307,529)	(264,476)
Net foreign exchange loss (gain)	3,126	(978)
Other costs	1,160	2,907
Total Debt Charges	524,841	580,072

[1] Interest reimbursed for debt borrowed by the Government specifically on behalf of government business enterprises.

Segment Disclosure

For the Year Ended March 31, 2015

(thousands of dollars)

	Treasury Board Organizations[1]	
	2015	2014
Revenue		
Taxation	6,511,658	6,550,674
Non-renewable resources	2,614,478	2,520,964
Transfers from government organizations	206,000	219,853
Other own-source revenue	1,699,181	1,691,959
Transfers from the federal government	1,963,895	1,737,855
Net income from government business enterprises (*schedule 3*)	496,320	487,587
Total Revenue (*schedule 13*)	13,491,532	13,208,892
Expense		
Agriculture	386,449	424,329
Community development	565,543	537,799
Debt charges (*schedule 15*)	529,255	582,192
Economic development	250,429	299,689
Education	3,696,407	3,568,643
Environment and natural resources	226,530	230,486
Health	5,276,477	5,146,447
Protection of persons and property	710,541	631,943
Social services and assistance	1,175,780	1,142,121
Transportation	531,123	507,109
Other	320,091	543,839
Total Expense (*schedule 14*)	13,668,625	13,614,597
Surplus (Deficit)	(177,093)	(405,705)

The segments of the Summary financial statements are based on the accountability and control relationships between the Government and the various organizations within the government reporting entity. Schedule 18 identifies the organizations included in each segment.

[1] *Treasury Board organizations* include the General Revenue Fund, Growth and Financial Security Fund and organizations such as Regional Health Authorities, Boards of Education and Liquor and Gaming Authority.

[2] *CIC Board organizations* are agencies that are responsible to the Crown Investment Corporation of Saskatchewan (CIC) and include organizations such as Saskatchewan Power Corporation, Saskatchewan Telecommunications Holding Corporation and CIC Asset Management Inc.

[3] *Not-for-profit insurance organizations* are intended to be actuarially sound over the long term. These entities typically adjust rates to break even over the longer term and include Saskatchewan Auto Fund, Saskatchewan Crop Insurance Corporation, Crop Reinsurance Fund of Saskatchewan and Workers' Compensation Board (Saskatchewan).

[4] Represents adjustments to eliminate transactions between segments. Adjustments to eliminate transactions within a segment and adjustments to conform to the Government's accounting policies are represented in the numbers disclosed for each segment.

Schedule 16

CIC Board Organizations[2]		Not-for-Profit Insurance Organizations[3]		Eliminations[4]		Total	
2015	2014	2015	2014	2015	2014	2015	2014
-	-	-	-	-	-	6,511,658	6,550,674
-	-	-	-	-	-	2,614,478	2,520,964
-	-	213,663	250,842	(419,663)	(470,695)	-	-
67,300	282,322	227,688	297,664	-	-	1,994,169	2,271,945
-	-	236,161	284,344	-	-	2,200,056	2,022,199
167,989	342,375	74,053	222,217	-	-	738,362	1,052,179
235,289	624,697	751,565	1,055,067	(419,663)	(470,695)	14,058,723	14,417,961
-	-	469,654	341,452	(205,161)	(245,292)	650,942	520,489
-	-	-	-	-	-	565,543	537,799
4,088	3,430	-	-	(8,502)	(5,550)	524,841	580,072
38,108	43,866	-	-	-	-	288,537	343,555
-	-	-	-	-	-	3,696,407	3,568,643
(13,900)	598	-	-	-	-	212,630	231,084
-	-	-	-	-	-	5,276,477	5,146,447
-	29,687	-	-	-	-	710,541	661,630
-	-	-	-	-	-	1,175,780	1,142,121
30,162	29,793	-	-	-	-	561,285	536,902
13,773	16,514	-	-	-	-	333,864	560,353
72,231	123,888	469,654	341,452	(213,663)	(250,842)	13,996,847	13,829,095
163,058	500,809	281,911	713,615	(206,000)	(219,853)	61,876	588,866

Supplemental Cash Flow Information

Schedule 17

For the Year Ended March 31, 2015

(thousands of dollars)

	2015	2014 (Restated)
Other Non-Cash Items Included in the Surplus		
Amortization of tangible capital assets (*schedule 12*)	514,561	501,928
Write-downs of tangible capital assets (*schedule 12*)	928	1,934
Net foreign exchange loss (gain) (*schedule 15*)	3,126	(978)
Net gain on other investments[1]	(23,425)	(55,609)
Net decrease to provision for loss on loans receivable	(3,303)	(977)
Net gain on disposal of tangible capital assets	(11,257)	(12,921)
Earnings retained in sinking funds (*schedule 8*)	(39,161)	(41,628)
Total Other Non-Cash Items Included in the Surplus	441,469	391,749
Net Change in Non-Cash Operating Activities		
Decrease in accounts receivable	144,120	112,003
Decrease (increase) in other financial assets	4,566	(1,608)
Increase (decrease) in accounts payable and accrued liabilities	60,935	(156,031)
Increase (decrease) in unearned revenue	48,922	(981)
(Decrease) increase in pension liabilities	(7,473)	310,067
(Decrease) increase in other liabilities[2]	(35,370)	7,613
Increase in prepaid expenses	(3,238)	(1,629)
Increase in inventories held for consumption	(3,922)	(8,523)
Net Change in Non-Cash Operating Activities	208,540	260,911
Other Supplemental Information		
Cash interest paid during the year	288,296	340,749
Cash interest received during the year	56,695	70,863

[1] Net gain on other investments consists of:

	2015	2014
Income from equities and pooled funds	(18,928)	(44,725)
Gain on sale of bonds and equities	(9,903)	(22,728)
Provision for loss	3,114	9,738
Amortization of bond premiums and discounts	2,292	2,106
Net gain on other investments	(23,425)	(55,609)

[2] Net of a $266.0 million adjustment for remediation of contaminated sites at April 1, 2014 (*note 10*).

Government Reporting Entity

For the Year Ended March 31, 2015

Schedule 18

Government Service Organizations (Consolidated)

Agricultural Credit Corporation of Saskatchewan
Agricultural Implements Compensation Fund
Boards of Education [2d]
- Chinook School Division No. 211
- Christ the Teacher Roman Catholic Separate School Division No. 212
- Conseil des écoles fransaskoises no. 310
- Creighton School Division No. 111
- Englefeld Protestant Separate School Division No. 132
- Good Spirit School Division No. 204
- Holy Family Roman Catholic Separate School Division No. 140
- Holy Trinity Roman Catholic Separate School Division No. 22
- Horizon School Division No. 205
- Ile-a-la Crosse School Division No. 112
- Light of Christ Roman Catholic Separate School Division No. 16
- Living Sky School Division No. 202
- Lloydminster Roman Catholic Separate School Division No. 89
- Lloydminster School Division No. 99
- North East School Division No. 200
- Northern Lights School Division No. 113
- Northwest School Division No. 203
- Prairie South School Division No. 210
- Prairie Spirit School Division No. 206
- Prairie Valley School Division No. 208
- Prince Albert Roman Catholic Separate School Division No. 6
- Regina Roman Catholic Separate School Division No. 81
- Regina School Division No. 4
- Saskatchewan Rivers School Division No. 119
- Saskatoon School Division No. 13
- South East Cornerstone School Division No. 209
- St. Paul's Roman Catholic Separate School Division No. 20
- Sun West School Division No. 207

Century Plaza Properties (The Owners: Condominium Corporation No. 101100609)
CIC Asset Management Inc. [2e 3a]
CIC Economic Holdco Ltd. [2e 3a]
Commercial Revolving Fund
Community Initiatives Fund
Correctional Facilities Industries Revolving Fund
Creative Saskatchewan
Criminal Property Forfeiture Fund
Crop Reinsurance Fund of Saskatchewan [3b]
Crown Investments Corporation of Saskatchewan (separate) [2e 3a]
eHealth Saskatchewan
Enterprise Saskatchewan
Extended Health Care Plan for Certain Other Employees [2e]
Extended Health Care Plan for Certain Other Retired Employees [2e]
Financial and Consumer Affairs Authority of Saskatchewan
First Nations and Métis Fund Inc. [2e 3a]
Fish and Wildlife Development Fund
Forest Management Funds
- Crown Agricultural Land Forest Fund
- Edgewood Forest Renewal Trust Fund
- Island Forests Management Fund
- Meadow Lake OSB Forest Management Trust Fund
- Mee-Toos Forest Management Fund Trust
- Mistik Forest Management Trust
- North West Communities Wood Products Forest Management Fund Trust
- Park Land Forests Management Fund
- Sakaw Forest Renewable Trust Fund
- Weyerhaeuser Forest Renewal Trust Fund
- Zelensky Bros. Forest Management Fund Trust

General Revenue Fund
Global Transportation Hub Authority
Government House Foundation
Gradworks Inc. [2e 3a]
Growth and Financial Security Fund
Health Quality Council
Health Shared Services Saskatchewan
Horned Cattle Fund
Innovation Saskatchewan
Institutional Control Monitoring and Maintenance Fund
Institutional Control Unforeseen Events Fund
Law Reform Commission of Saskatchewan
Livestock Services Revolving Fund
North Sask Laundry and Support Services Ltd.
Northern Municipal Trust Account [2e]
Oil and Gas Orphan Fund
Operator Certification Board
Pastures Revolving Fund
Physician Recruitment Agency of Saskatchewan
Prairie Agricultural Machinery Institute
Prince of Wales Scholarship Fund
Public Employees Benefits Agency Revolving Fund
Public Employees Dental Fund [2e]
Public Employees Disability Income Fund [2e]
Public Employees Group Life Insurance Fund [2e]
Queen's Printer Revolving Fund
Regional Colleges [2b]
- Carlton Trail College [1a]
- Cumberland College [1a]
- Great Plains College
- North West College [1a]
- Northlands College
- Parkland College [1a]
- Southeast College [1a]

Government Reporting Entity *(continued)*

Schedule 18

Regional Health Authorities
- Cypress Regional Health Authority
- Five Hills Regional Health Authority
- Heartland Regional Health Authority
- Keewatin Yatthé Regional Health Authority
- Kelsey Trail Regional Health Authority
- Mamawetan Churchill River Regional Health Authority
- Prairie North Regional Health Authority
- Prince Albert Parkland Regional Health Authority
- Regina Qu'Appelle Regional Health Authority
- Saskatoon Regional Health Authority
- Sun Country Regional Health Authority
- Sunrise Regional Health Authority

Saskatchewan Agricultural Stabilization Fund
Saskatchewan Apprenticeship and Trade Certification Commission [2b]
Saskatchewan Archives Board
Saskatchewan Arts Board
Saskatchewan Association of Health Organizations Inc.
Saskatchewan Cancer Agency
Saskatchewan Centre of the Arts Fund
Saskatchewan Crop Insurance Corporation [3b]
Saskatchewan Grain Car Corporation [2c]
Saskatchewan Health Research Foundation
Saskatchewan Heritage Foundation
Saskatchewan Housing Corporation [2a]
Saskatchewan Immigrant Investor Fund Inc. [2e 3a]
Saskatchewan Impaired Driver Treatment Centre Board of Governors
Saskatchewan Legal Aid Commission
Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation
Saskatchewan Opportunities Corporation [2e 3a]
Saskatchewan Polytechnic [1b 2b]
Saskatchewan Research Council
Saskatchewan Snowmobile Fund
Saskatchewan Student Aid Fund
Saskatchewan Transportation Company [2e 3a]
SaskBuilds Corporation
Sask911 Account
School Division Tax Loss Compensation Fund
Tourism Saskatchewan
Training Completions Fund
Transportation Partnerships Fund
Victims' Fund
Water Appeal Board
Water Security Agency
Western Development Museum Fund

Government Business Enterprises (Modified Equity)

Liquor and Gaming Authority
Municipal Financing Corporation of Saskatchewan [2a]
Saskatchewan Auto Fund [2e 3b]
Saskatchewan Gaming Corporation [2e 3a]
Saskatchewan Government Insurance [2e 3a]
Saskatchewan Power Corporation [2e 3a]
Saskatchewan Telecommunications Holding Corporation [2e 3a]
Saskatchewan Water Corporation [2e 3a]
SaskEnergy Incorporated [2e 3a]
Workers' Compensation Board (Saskatchewan) [2e 3b]

Government Partnerships (Proportionately Consolidated)

Battlefords First Nations Joint Board of Education [2d]
Foragen Technologies Limited Partnership [2e 3a]
Prairie Diagnostic Services Inc. [2a]
Saskatchewan Entrepreneurial Fund Joint Venture [2e 3a]

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[1] Organization's name changed during 2014-15 from: [a] Regional College to College; [b] Saskatchewan Institute of Applied Science and Technology.

[2] The year-ends of certain organizations differ from March 31, 2015: [a] April 2014; [b] June 2014; [c] July 2014; [d] August 2014; [e] December 2014.

[3] For segment disclosure (*schedule 16*) certain organizations are classified into categories other than Treasury Board Organizations as follows: [a] CIC Board Organizations; [b] Not-for-Profit Insurance Organizations.

Glossary of Terms

Accrual Accounting
The method used to prepare the Summary Financial Statements (SFS) included in Volume 1 of the Public Accounts. Accrual accounting recognizes financial transactions at the time they occur, regardless of whether any cash is received or paid.

Accumulated Surplus
One of the two measures of a government's financial position (see net debt). The accumulated surplus is the amount by which revenue has exceeded expense from the beginning of incorporation (1905) plus any adjustments that were charged directly to the accumulated surplus. It is calculated as the difference between assets and liabilities.

Capital Transfer
A grant provided to a third party such as a university or municipality to acquire or develop capital assets.

Consolidation
The method used to account for government service organizations in the SFS in which the accounts are adjusted to the basis of accounting described in note 1 of the SFS and then combined. Inter-organization balances and transactions are eliminated.

Debenture
A certificate of indebtedness where the issuer promises to pay interest and repay principal by a maturity date. It is usually unsecured, meaning there are no liens or pledges on any specific assets.

Debt
Terms used when describing debt include:

Government business enterprise specific debt is debt issued by government business enterprises and debt issued by the General Revenue Fund (GRF) specifically on behalf of a government business enterprise where the government expects to realize the receivable from the government business enterprise and settle the external debt simultaneously.

Gross debt is borrowings through the issuance of debt instruments such as promissory notes and debentures.

Sinking funds are funds set aside for the repayment of debt.

Public debt is gross debt net of sinking funds.

General debt is public debt net of loans to Crown corporations for government business enterprise specific debt.

Guaranteed debt is the debt of others that the Government has agreed to repay if others default.

Total debt is public debt plus guaranteed debt.

Derivative
A contract in which the value is based on the performance of an underlying financial asset, index or other investment. It does not require an initial investment and is settled at a future date.

Financial Asset
An asset that can be used to discharge existing liabilities or finance future operations and is not for consumption in the normal course of operations.

Financial Instrument
Any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party.

Financial Liability
Any liability that is a contractual obligation to deliver a financial asset to another party, or to exchange financial instruments with another party under conditions that are potentially unfavourable to the entity.

Government Reporting Entity
The government reporting entity consists of government service organizations, government business enterprises and government partnerships. Trusts administered by the Government are excluded from the government reporting entity.

General Revenue Fund (GRF)
The fund into which all revenues are paid, unless otherwise provided for by legislation, and from which all expenditures are appropriated by the Legislative Assembly.

Government Business Enterprise
A self-sufficient government organization that has the financial and operating authority to sell goods and services to individuals and organizations outside the government reporting entity as its principal activity. Government business enterprises are recorded in the SFS using the modified equity method.

Government Partnership
An investment by the Government where there is a contractual arrangement between the Government and one or more partners outside the government reporting entity and where the partners share, on an equitable basis, the risks and benefits of the partnership. Government partnerships are proportionately consolidated in the SFS.

Government Service Organization
An organization that is controlled by the Government, except those designated as government business enterprises and government partnerships. Government service organizations are consolidated in the SFS after adjustment to a basis consistent with the accounting policies described in note 1 of the SFS.

Gross Domestic Product (GDP)
The standard measure of the overall size of the economy, the value of all goods and services produced during a period.

Hedge
A strategy to minimize the risk of loss on an asset (or liability) from market fluctuations such as interest rate or foreign exchange rate changes. This is accomplished by entering into offsetting commitments with the expectation that a future change in the value of the hedging instrument will offset the change in the value of the asset (or liability).

Modified Equity
The method by which government business enterprises are accounted for in the SFS. The Government's investment, which is originally recorded at cost, is adjusted annually to include the net earnings/losses and other net equity changes of the enterprise/partnership without adjustment to conform with the accounting policies described in note 1 of the SFS. Inter-organizational balances and transactions are disclosed but not eliminated.

Net Debt
One of the two measures of a government's financial position (see accumulated surplus). Net debt is calculated as the difference between financial assets and liabilities.

Non-financial Asset
An asset that is acquired, constructed or developed and does not normally provide resources to discharge existing liabilities.

Other Comprehensive Income/Loss (OCI)
OCI includes certain unrealized gains and losses of government business enterprises that are excluded from net income but recognized as a change in net debt and accumulated surplus during the period.

Pension Liability
An actuarial estimate of discounted future payments to be made to retirees under government pension plans, net of plan assets.

Premium/Discount
The amount by which the selling price of a security is greater or less than its par or face value.

Segment
A distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to help users of the SFS identify the resources allocated to support the major activities of a government.

Summary Financial Statements (SFS)
The statements prepared to account for the full nature and extent of the financial activities of organizations in the government reporting entity.

Tangible Capital Asset
An asset with physical substance held by the Government that has an economic life extending beyond a year, is to be used on a continuing basis and is not for sale in the ordinary course of operations.

Transfer
A transfer of money from a government to an individual, an organization or another government for which the government making the transfer does not: receive any goods or services directly in return, as would occur in a purchase/sale transaction; expect to be repaid in the future, as would be expected in a loan; or expect a financial return, as would be expected in an investment. Major types of transfers include entitlements, transfers under shared cost agreements and grants.